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Daily Report
Central Eurasia

FBIS-SOV-94-244 *20 December 1994*

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Bread, Grain Shortages in CIS

LD1912112594 Moscow ITAR-TASS in English 1101 GMT 19 Dec 94

[By ITAR-TASS Correspondent Pyotor Tsyrendorzhiyev]

[FBIS Transcribed Text] December 19 TASS - A 35-40 per cent price rise on bread is possible in Buryatia in near future, ITAR- TASS learned on Monday from the press service of the Buryatian president and government. The expected prise rise is connected with the increased cost of transportation and electricity. So far a loaf of bread costs 850 roubles. Bread is the main food for more than half of the republic's population.

* * *

Russia experiences difficulties with grain procurement. Approximately 16-17 million tonnes of grain are now kept in state-owned granaries, ten million tonnes less than last year. The price of the Orenburg strain of wheat (the most expensive, Durum wheat) is 220 thousand roubles per tonne, which is half the price for Durum wheat, for instance, in France (150 dollars).

Regions try to protect their markets and to limit the sale of grain to the state, and this complicates the situation still more. A few days ago the Altay territory stopped selling food grain in connection with an acute shortage of grain in the local market. Quite possibly, the price of bread in the Altai territory may rise 50 per cent.

Bread and cereals are not on sale in shops in the Kursk and Bryansk regions, particularly on the border with Ukraine. Because of steep price rises in Ukraine, by up to 1,000 per cent, Ukrainian citizens buy up large amounts of food in Russian regions bordering on Ukraine.

On the whole, price rises on food products took place in virtually all ex-USSR countries.

There are shortages of bread in Tajikistan, where the majority of large families rely on bread as their main food. In Dushanbe, bread lines form from the evenings. One person is not permitted to buy more than three loaves of bread.

Bread prices in Belarus rose 30 per cent in the past ten days. In Azerbaijan, bread prices went up by approximately 25 per cent within a few days. In Armenia, bread became much more expensive after prices were freed on December 1. There are bread shortages in Kazakhstan. Prices of baked products went up there by 30 per cent, and a price rise of 50-100 per cent is probable. Bread is rationed in Georgia—300 grams per person a day.

ITAR-TASS Carries Press Review for 20 Dec

LD2012062394 Moscow ITAR-TASS in English 0547 GMT 20 Dec 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow 20 Dec (TASS)—The situation concerning the Chechen Republic and measures which are being taken in this connection by federal authorities are principal topics in today's Moscow-based newspapers whose commentaries are notable for a broad spectrum of opinions.

ROSSIYSKAYA GAZETA frontpages a presidential decree "on a plenipotenitary representative of the president of the Russian Federation in the Chechen Republic" and "on the restoration of federal territorial executive power bodies on the territory of the Chechen Republic".

The newspaper reports that a Security Council meeting was held on December 17 under the chairmanship of Boris Yeltsin. The council made decisions "aimed at stimulating the process of ensuring the constitutional order, legality, rights and freedoms of citizens on the territory of the Chechen Republic".

Army newspaper KRASNAYA ZVEZDA (Red Star) states the way to peace and accord in Chechnya is only one: an unconditional disarmament of unlawful formations there.

IZVESTIYA carries an article by publicist Otto Lacis who writes that there should be no war over Groznyy. The publicist points out that one feels that "excessive military pressure as if turns into an end in itself. It is quite likely that in actual fact Dzhokhar Dudayev does not want negotiations. Dudayev is not the point. The point is that people get killed on both sides."

IZVESTIYA, in another article, writes about the institution of a territorial board in Chechnya with Vice-Premier Nikolay Yegorov at the head.

The newspaper believes that it is a question of establishing a provisional administration there. Thereby, Moscow has made it clear categorically once again that Dudayev is a self-proclaimed president. It is perfectly clear: an occupation regime is being offered to Chechnya. But "the Kremlin-appointed representative in Chechnya will be far from welcomed with bread and salt."

PRAVDA quotes Article 85 of the Russian Constitution which sets out conciliatory procedures for the resolution of differences between state power bodies of the Russian Federation and those of subjects of the Federation.

Basing itself on this article of the Constitution, the newspaper concludes that "out of all possible options for a solution to the Chechen problem, the most sanguinary one is being applied".

NEZAVISIMAYA GAZETA reports that in view of the transition to an active phase of the resolution of the Chechen crisis, special measures are being taken in Moscow to prevent possible terrorist acts by Chechens.

NEZAVISIMAYA GAZETA on a regular round of Russian-Ukrainian talks in Kiev of the Black Sea Fleet:

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"Kiev believes that the only thing which the two sides have managed to agree upon is the distribution of the Black Sea ships (although even this accord has not been initialed so far).

"In the opinion of the Ukrainian side, Russia's desire to see Sevastopol as its base renders the very existence of the Ukrainian Navy impossible—the uniqueness of many naval facilities of Sevastopol is evident. The Russian proposal that the Ukrainian Navy be headquartered in Donuzlav, not Sevastopol, does not find understanding in Kiev either.

RABOCHAYA TRIBUNA carries an interview with Andrey Bykov, deputy director of Russia's Federal Counterintelligence Service, who emphasised that there is no psychotronic weapon on the territory of Russia, and has never been.

IZVESTIYA on U.S. ex-President Jimmy Carter's peace mission in Bosnia:

"Jimmy Carter's trip to Bosnia at the invitation of Bosnian Serb leader Radovan Karadzic is, possibly, the last chance to avert an all-out war in the Balkans."

NEZAVISIMAYA GAZETA notes that the proposals, made by Karadzic about measures to remove tension, were formally welcomed in NATO but were also viewed with a large share of scepticism.

IZVESTIYA comments on the results of Sunday's parliamentary elections in Bulgaria:

"Just as was the case in Poland and Hungary: the former Communists, who now pose as the Socialist Party, have won the elections."

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Carter Mission 'Last Chance of Avoiding an All-Out War'

MM1912163794 Moscow IZVESTIYA in Russian 20 Dec 94 p 3

[Report by Maksim Yusin: "Carter's Mission to the Balkans"]

[FBIS Translated Text] A new player has burst meteor-like onto the scene in Balkan politics, overshadowing the international mediators from the United Nations, the EU [European Union], and the "contact group" who appeared here during the years of the Bosnian war. Jimmy Carter has arrived in besieged Sarajevo.

The former U.S. President's peacemaking mission is beginning at a critical moment in the Bosnian drama, when even the most die-hard optimists seem to be losing hope of the possibility of a peaceful settlement of the conflict and are talking increasingly loudly about the need to withdraw the "blue helmets" from Bosnia. Possibly Carter's trip is the last chance of avoiding an all-out war in the Balkans which would have catastrophic consequences for all the warring sides.

Mediation in the solution of the most involved and seemingly insoluble international crises has become Carter's main speciality since he left the White House in January 1981, having been routed by Ronald Reagan in the elections two months earlier. Carter's four-year term as president was marked by a series of diplomatic failures, the most serious of which was the Islamic revolution in Iran which had catastrophic consequences for the United States.

Nevertheless, many Americans who adhere to left-wing views still believe that Carter was one of the most brilliant presidents in the country's postwar history and that the voters did not assess him on his merits. Be that as it may, Carter's foreign policy successes in recent years and, in particular, his sensational breakthrough in the talks with North Korea on the nuclear issue, attest to the former president's exceptional diplomatic abilities.

Will Carter be able to repeat the "Pyongyang miracle" and find a way out of the Bosnian impasse? The hope of that, unfortunately, is not great. The former president's meeting with Muslim leader Alija Izetbegovic in Sarajevo on Sunday [18 December] confirmed that the Bosnian Government takes a skeptical view of Carter's mission, believing that it offers the Serbs the hope of emerging from international isolation and imposing their terms on the Muslims and Croats. Much should be clarified by Carter's talks, scheduled for Monday [19 December], with Bosnian Serb leader Radovan Karadzic, who invited the U.S. peacemaker to the Balkans.

Admittedly, Carter's recent comments will hardly cause delight to Karadzic and his supporters. The former president has stated that the basis for settling the conflict must be the plan for the territorial division of Bosnia proposed by the "contact group," to which the Serbs are categorically opposed, as is well known.

Meanwhile, the situation on the Bosnian war front has become even more acute with the capture of the town of Velika Kladusa by the formations of Muslim separatist Fikret Abdic. Abdic's detachments, equipped and armed by the Serbs, inflicted a defeat on the government army's Fifth Corps defending the besieged enclave of Bihac in Western Bosnia. After that success the combined forces of Abdic and the Serbs are now able to strike at Bihac from two directions, which leaves the city's defenders little chance of escape.

Bosnia: 'Should Not Be Taken Seriously'

LD1912184394 Moscow INTERFAX in English 1445 GMT 19 Dec 94

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, Dec 19 (Interfax)—U.S. ex-President Jimmy Carter's mediatory efforts to settle the conflict in Bosnia and Herzegovina "should not be taken seriously," a source in the Russian embassy in Zagreb told Interfax by telephone on Monday [19 December].

He expressed hope that the "American officials, too, give preference to the unity of the Contact Group on Bosnia" (represented by Russia, the U.S., Britain, France and Germany—Interfax). "The more so, since the previous 'solo' moves by U.S. representatives neither aroused any enthusiasm in former Yugoslavia, nor promoted the settlement in any way," said the Russian diplomat.

Last Sunday, Carter held consultations with Croatian president Franjo Tudjman in the Croatian capital, and met with Prime Minister of the Bosnian Muslims Haris Silajdzic, and with the U.N. secretary-general's special envoy in former Yugoslavia Asushi Akashi. On the same day, Carter flew out to Sarajevo (the capital of Bosnia and Herzegovina—Interfax) to continue the talks.

The Russian diplomat announced that a regular meeting of the Contact Group would take place in Belgrade on Tuesday. "The group has its own plan, recognized by at least two of the three parties involved in the conflict, and also by Zagreb and Belgrade. The Contact Group will strictly observe this plan whatever the outcome of Carter's mission is," said the Russian diplomat.

He also said that both Zagreb and Sarajevo are skeptical about the former U.S. president's mediatory efforts. In their turn, representatives of the U.N. Protection Force in former Yugoslavia view this mission as Carter's personal affair and are ready to give him technical assistance "as an attempt to reconcile the conflicting parties."

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He pointed out that Carter had set out to former Yugoslavia at the request of Bosnian Serb leader Radovan Karadzic. He also said that Carter had agreed to meet with Karadzic, if the latter implemented the six provisions of the alternative "peace" plan proposed by Carter a few days ago.

"However, the Bosnian Serbs have fully implemented only one provision of their own plan, by opening the Sarajevo airport to Carter's plane. This alone casts doubts on the possibility of attaining any meaningful results by the American mediator," said the diplomat.

In his opinion, the plan proposed by the Contact Group must remain the only basis for the settlement of the Bosnian conflict. "Too much has been done and coordinated, and too little time has remained to shift the process over to any different basis. Moreover, I don't think that Carter's authority is higher than the authority of the five leading world powers, represented in the Contact Group," said the Russian diplomat.

Carter Said 'Optimistic'

MM2012090594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 20 Dec 94 p 11

[Report by Sergey Moshechkov: "Will Carter Say a Couple of Warm Words to the Serbs?"]

[FBIS Translated Excerpt] Zagreb—[Passage omitted] The initial reaction to Carter's coming mission here was ambiguous. Bosnian President A. Izetbegovic was initially very skeptical about the possibility of achieving anything specific through the arrival of the latest intermediary. There is already the "contact group," there is its plan—which there is no point in altering—and anything over and above that is just a waste of time and effort. [passage omitted]

Western news agency correspondents spread around Bosnia are being more categorical about the former president's trip. He has been preceded by more authoritative and competent mediators who managed to achieve little.

But, for all that, Carter remains optimistic. He hopes that the talks in Zagreb, Sarajevo, Pale, and Belgrade will not be as ineffective as weary local analysts and observers, who no longer believe in anything, would make out.

It is hardly correct to accuse the former president of being incompetent purely because he is trying to somehow halt the war.

Incidentally, Carter has already managed to telephone Karadzic and received an assurance that the talks would be held on the basis of the "contact group" plan. Moreover, the Bosnian Serb leader told the former president that he agreed to a three-month truce, including in the "hottest" enclave—Bihac.

Kostikov 'Bewildered' by U.S. Embassy Warning to Residents

LD1912180494 Moscow INTERFAX in English 1625 GMT 19 Dec 94

[FBIS Transcribed Text] Moscow, Dec 19 (Interfax)—The Russian president's press secretary Vyacheslav Kostikov said he was bewildered by the U.S. embassy to Russia warning U.S. residents in Moscow about danger as a result of the Chechen conflict.

"I don't understand why the U.S. Embassy is fanning tension where it does not exist," Kostikov said.

EU Calls on Russia To Display 'Caution' on Chechnya

LD2012101994 Moscow ITAR-TASS in English 0949 GMT 20 Dec 94

[By ITAR-TASS correspondent Aleksandr Mineyev]

[FBIS Transcribed Text] Brussels December 20—The meeting of the European Union Council at the level of foreign ministers expressed concern over developments in Chechnya. Noting that the conflict is a domestic affair of Russia, the ministers, nevertheless, called on Russia to display "caution."

Sources at the EU Council said that the ministers also discussed the situation in Bosnia and expressed hope that the mission by former U.S. President James Carter may turn useful.

However, they said that the problem should be settled in compliance with the peaceful plan of the international "Contact Group."

Foreign Ministry Official on Jordan's 'Interference'

LD2012113694 Moscow INTERFAX in English 1049 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow, Dec 20 (Interfax)—The statement by the Jordanian parliament backing Chechnya's "independence" is interference into Russia's internal affairs, said on Tuesday in an interview with Interfax the director of the Russian Foreign Ministry's Department for Relations with Federation Subjects, Parliament and Social and Political Organizations, Alexander Blokhin.

The diplomat drew the attention to the fact that the Jordanian parliament has "purely consultative functions." Significantly, after our explanations King Hussayn of Jordan dissociated himself from the parliament statement, denounced its position and informed the Russian Foreign Ministry that Amman's position is invariable: Jordan considers events in Chechnya as an internal affair of Russia, said Blokhin.

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The diplomat said that no state in the world recognized Chechnya's "independence." Practically everybody considers developments in Chechnya as an internal affair of the Russian Federation, he said.

According to Blokhin, appeals by Islamic states and some Western countries to a peaceful solution of the problem are natural. Does not Russian President Yeltsin appeal to a peaceful solution of the conflict? he said. "This is the stand of any normal person."

"The world shows understanding to Russia's actions. Naturally, everyone is worried by one thing: if the conflict cannot be settled peacefully, measures should be taken for the civilian population not to suffer," said the diplomat.

Balakovo Nuclear Station To Improve Disposal Procedures

OW2012072894 Moscow Ostankino Television First Channel and Orbita Networks in Russian 1935 GMT 5 Dec 94

[Video Report by O. Shommer; from the "Utro" program]

[FBIS Translated Text] It is no secret that nuclear stations produce nuclear waste, the disposal and storage of which causes a fair amount of trouble. The Balakovo Nuclear Power Station is no exception, and although strictly maintained technological standards rule out environmental pollution, the so-called graveyard on the power station's territory takes up too much space. Moreover, the method for processing nuclear waste should be more advanced and must conform to world standards. The Balakovo Nuclear Station was among the first in the country to decide to achieve this goal. It signed a contract with Germany's Nukem firm to create on the station's territory a center for processing nuclear waste. Similar centers are already functioning at Europe's and Japan's nuclear stations. The advanced technology, which allows the effective disposal of nuclear waste by rendering it harmless, drew the attention of Russian nuclear engineers. Nevertheless, before launching the joint inter-government project, Russia stiffened its requirements by suggesting that its German partners further increase the safety coefficient by twofold. In other words, this is the margin by which the safety standards will exceed IAEA requirements.

Supplying the equipment to Balakovo Power Station will cost 23.5 million German marks. Part of the credits allocated by Germany will be paid out of its federal budget, and part will be paid by the power station itself. One of the main questions asked at the news conference attended by the German specialists and representatives of the Rosenergoatom Concern, was whether or not the nuclear power station would become an international dumping ground for nuclear waste—and the answer was an official "no." Members of the conference expressed their hope that cool reasoning would triumph over the genetic fear [as heard] born out of Chernobyl. If this newest technology of waste processing in the only such center in the country justifies itself, other Russian nuclear stations will be able to become licensed and follow Balakovo's example.

[Ipatov] We are beginning this project. It is specifically aimed at increasing safety. This is Western technology that is being brought to Russia; this is Western experience. Today, we find it possible to finance the project, and this center will be operational in two years, or maybe a little more.

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Political Issues

Official on Military Success in Chechnya

MM2012120094 Moscow KRASNAYA ZVEZDA in Russian 20 Dec 94 p 1

[Comment by Leonid Smirnyagin, member of the Presidential Council and adviser to the Russian Federation president: "Initial Task Fulfilled Successfully by Troops"]

[FBIS Translated Text] "In my opinion, as an expert, the first part of the operation in Chechnya has passed off successfully from a purely military viewpoint. Of course, two troop columns were late reaching their target positions, but the troops achieved the main thing: They crossed almost the whole of Chechnya, all the way to the outskirts of Groznyy, without large-scale clashes with the republic's inhabitants.

"According to our information the troops passed through, figuratively speaking, on tiptoe, although at times very dangerous situations developed. It was not only a question of armed resistance by Dudayev's fighters, but of possible mass disobedience by the civilian population. That could have led to clashes with the troops and huge casualties—and then the operation would have been completely wrecked at the very first stage.

"It must be observed that the military had very great legal grounds for dispersing the aggressive mob. But not even smoke pots were used, to say nothing of the notorious 'cheremukha' [riot control gas]. That is to say, the troops were entitled to act more resolutely, but they did not do so. Nonetheless the initial task was fulfilled. Maybe that is in fact why it was fulfilled.

"Therefore, when I spoke on Sunday's 'Itogi' program on television, I stressed once again that the military had left the politicians an absolutely 'clear field.' They have done nothing to make the politicians' subsequent actions more difficult, and if 'something happens' in the political sphere, the politicians will have nowhere to hide...."

Yeltsin Cancels Travel 'Due to the Situation'

LD1912182294 Moscow Mayak Radio Network in Russian 1651 GMT 19 Dec 94

[FBIS Translated Text] From the "Mayak Panorama" news roundup: Boris Yeltsin has redrawn his work schedule due to the situation in the country, and trips planned earlier have been cancelled.

Deputies Appeal to Yeltsin To Stop Conflict

LD2012084894 Moscow Mayak Radio Network in Russian 0730 GMT 20 Dec 94

[FBIS Translated Text] The Ekho Moskvy radio station has given us the text of an appeal received from a group of State Duma deputies now in Groznyy, headed by Sergey Kovalev, human rights plenipotentiary. The deputies appeal to the president of Russia. We are broadcasting the text of that document in slightly abbreviated form.

Esteemed Boris Nikolayevich! We were informed of your interest in receiving objective information about the situation in Chechnya. The information which we have gathered bears witness to the fact that what is happening is a large-scale human tragedy. Being in Chechnya, we are living through, along with its inhabitants—Chechens and Russians—the air raids and artillery shelling. We see peaceful inhabitants die and flee, the destruction of housing and holdings [khozyaystvo].

You should know that, today, General Dudayev, not without assistance or calculated actions on Russia's part, is surrounded and defended not by bandit formations, but by the people bearing arms. The Chechen people, the appeal by State Duma deputies to the president of Russia says, like any other people, may be wrong in the choice of its leaders and ideals, but that does not give anyone the right to quarrel with it in the language of bombings and shelling.

The restoration of a constitutional system on the territory of Chechnya with the help of mass violence spells a threat to the constitutional system of all Russia, which has only just embarked upon the democratic path of development.

The moral conscience of the Russian people opposes lies and violence. Russian soldiers and officers do not want to wage war against the people of Chechnya, and ask us to convey that to you, Boris Nikolayevich, the appeal by the group of State Duma deputies says. We call upon you to immediately halt the flywheel of war and to begin talks.

We are convinced that peaceful means for settling the conflict are far from exhausted, contrary to the way the situation is being presented by those who are now continuing to provoke major bloodshed in the Caucasus and far beyond. We are convinced that a meeting between yourself and the Chechen political leaders would give our peoples a chance to solve the difficult problems by peaceful means. Unfortunately, the only way we can urgently convey our views to you is to issue this appeal through the mass media.

The document is signed by Russia's Human Rights Commissioner Sergey Kovalev; Yabloko group deputy Valeriy Borshchev; Russia's Choice deputy Mikhail Molostvov; Leonid Petrovskiy, Russian Communist Party member of the State Duma; and Orlov, an expert from the human rights commission under the Russian president. I repeat that they are all currently in Groznyy.

Shakhray, Muslims Discuss Settlement Plans

LD1912224994 Moscow ITAR-TASS in English 1956 GMT 19 Dec 94

[FBIS Transcribed Text] Moscow December 19 TASS—Russian Vice-Premier Sergey Shakhray met with

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Chechen Moslem leader Mukhamad Khusein Alsabekov, Chechen Elders' Supreme Council head Said Akhmad Adizov and Moscow Moslem leader Ravil Gaynutdin on Monday to discuss ways to settle the Chechen conflict.

Shakhray expressed the hope that "common sense will prevail over emotions and peace, law and order will reign on the long-suffering Chechen land again."

Government Denies Killing Ingushetia Refugees

LD1912205394 Moscow ITAR-TASS World Service in Russian 2009 GMT 19 Dec 94

[FBIS Translated Text] Moscow, 19 Dec—Valentin Sergeyev, the head of the government's press office, has described reports quoted by State Duma deputies at a news conference today about the killing of refugees in Ingushetia as untrue and an "emotional exaggeration." He said that with the exception of one incident, the majority quoted at the news conference could not be corroborated.

The head of the government press office noted that military hardware in this region, belonging to a regiment of interior troops, was moving along a road and actually did fall under crossfire. Under conditions of poor visibility and at a dark time of day, it was forced to return fire As a result, by tragic coincidence, a shell hit a car travelling along the road, which was carrying refugees.

Having stressed that this accident occurred in an extreme situation and under unforeseen circumstances, Valentin Sergeyev stated that "all other claims about the reasons for what occurred are irresponsible".

FMS Requests Chechnya Refugee Funding

LD1912202394 Moscow INTERFAX in English 1911 GMT 19 Dec 94

[FBIS Transcribed Text] Moscow, Dec 19 (Interfax)—Head of the Federal Migration Service (FMS) Tatyana Regent says her department will need government allocations of Rbl 38 billion to help receive, feed and shelter forced migrants from the conflict- ridden republic of Chechnya.

This will help care for some 50,000 would be refugees from the region over a period of six months without a possible cost of their repatriation, she told a news conference in Moscow on Monday.

In her words, the FMS did not receive any money apart from this month's current financial resources from the federal budget. Regent said the upkeep of a refugee cost Rbl 20,000-25,000 a day.

Earlier, First Vice Premier Oleg Soskovets ordered Rbl 1 trillion worth of relief aid to help rebuild and maintain the Chechen economy. Regent said that more than 14,000 refugees fled the fighting in Chechnya by December 18.

Chernomyrdin, Council Favor Increased Operations

LD1912124494 Moscow ITAR-TASS World Service in Russian 1159 GMT 19 Dec 94

[FBIS Translated Text] Moscow, 19 Dec—ITAR-TASS received the following report from the the Russian Federation Government press service today:

"At 1000 today [0700 GMT] Viktor Chernomyrdin, chairman of the Government of the Russian Federation, held a conference of members of the government and the Security Council. The chairmen of the Federal Assembly chambers were present at the conference.

"The following picture has emerged from the reports given by the conference participants.

"Over the last 12 hours subunits of Interior Ministry interior troops and the Russian Federation Defense Ministry have been engaged in fierce fighting in order to suppress illegal armed formations which have constantly attempted to attack servicemen fulfilling their tasks of disarming fighters and destroying armoured equipment.

"The most important reinforced objects and bridges in the area of Groznyy and Gudermes have been bombed. Four ammunition depots have been destroyed and other targets have also been hit. It was pointed out at the sitting that after Dudayev rejected several invitations to start talks, illegal armed groupings intensified their activity. Frightened by the increasing violence of the fighters, the local population is hurrying to leave the areas where they are concentrated, which makes it easier for the subdivisions of the Russian Federation armed forces to liquidate the illegal armed groupings. Some of these units are demoralized and are trying to leave the area of military activity for the mountain regions. But the authorities in Groznyy have in reserve large and well-armed detachments made up mainly of Afghan mujahedin.

"Each experienced mercenary is receiving $800-$1,000 a day. It is precisely they who have to 'drench in blood,' to use Dudayev's well- known expression, the advance of servicemen carrying out the task of disarming bandit formations.

"The conference, hosted by the head of the cabinet, adopted a decision to step up operations to eliminate and disarm illegal armed formations, while at the same time ensuring the security of servicemen and the civilian population of the Chechen Republic."

Poll Shows Most Blame Government for Crisis

MM1912141594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 17 Dec 94 p 1

[Report by A. Kratenko under the "Inform" rubric: "Russians Have Ascertained 'Who Is To Blame'"]

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[FBIS Translated Text] Some 73 percent of Russians have named the Russian Federation Government as being to blame for the present crisis situation. Some 66 percent accused the reformers, the mafia, and the breakup of the USSR. Some 64 percent named Yeltsin as being to blame for all that is happening, 59 percent named the local authorities, 41 percent the Communists, 38 percent businessmen, 19 percent the "accursed capitalists," and 8 percent the Jews.

These data were obtained as the result of an all-Russia sociological poll conducted for the Russian Academy of Sciences.

At the same time 4-6 percent of Russians trust political parties, 10-12 percent trust parliament, and 14-18 percent trust the president. Only one Russian citizen in every six believes in constitutional guarantees, whereas two-thirds of the respondents do not doubt the dissolution of the next parliament.

One Russian in every nine is prepared to place the military at the head of the country, and one-fourth dream of returning to the "communist yesterday." In addition, the number of supporters of the monarchy has doubled since the spring—from 9 to 18 percent. While not suggesting anything specific, over one-half of those polled count on a strong leader capable of "instilling order in the country."

Yelstin Continues Surgery Recuperation

LD1912151894 Moscow ITAR-TASS World Service in Russian 1502 GMT 19 Dec 94

[FBIS Translated Text] Moscow, 19 Dec—The press service of the Russian Federation president announced that President Boris Yeltsin left the Central Clinical Hospital and went to his countryside residence today, where he is to continue his recuperation after a recent operation.

Government Session Looks at 'New Realities'

MM1912125194 Moscow ROSSIYSKAYA GAZETA in Russian 17 Dec 94 First Edition p 2

[Report by Vladimir Kucherenko: "At the Russian Federation Government: Under an Onslaught of New Realities"]

[FBIS Translated Text] The Russian Federation Government session held 15 December under the chairmanship of First Vice Premier O. Soskovets discussed several urgent problems.

Two years ago the government decided to elaborate a general plan for population settlement in the Russian Federation. And now it is ready—10 volumes of highly detailed information, analysis, and maps.

The plan takes account of new realities—the collapse of the USSR, Russia's loss of 40 percent of its maritime ports, the emergence of new border areas, and the massive outflow of people from the North, which has turned into a disaster area since the reforms began. The flow of refugees from the states of the "new abroad" has been taken into account, along with the acute problem of housing and finding work for servicemen, the dangerously sparse population of the Far East in the face of Chinese pressure, and the plans to revive the depopulated Chernozem Zone. The South Siberia, Pacific, and Central Russia systems should be the main areas to be settled.

This all sounded fine, except that Vice Premier A. Chubays asked, "Who will be resettled where, and who will pay for it?" After all, whereas in the USSR the state concentrated in its hands both funds and the means of production, nowadays everything is different. You can no longer issue orders from the center, the regions have become autonomous, the budget is under great pressure, and investment should be expected from private sources.

An argument began. Some believed that the regions should decide everything, others that a general state policy was needed to ensure that the country was not split by contradictory local interests. Ultimately O. Soskovets proposed that the plan be considered to be a recommendation—something akin to a map in headquarters.

The program to provide housing for veterans of the operation to eliminate the consequences of the Chernobyl disaster, as well as for their families, was discussed by S. Shoygu, head of the Ministry for Emergency Situations. There are currently around 200,000 of these men and 27,000 of their families requiring housing, which was promised to them under USSR law. Unfortunately, the federal "Housing" program failed to take their needs into account.

What now needs to be done, without complaining about the shortage of treasury funds, is to build 1.67 square meters of housing as quickly as possible—this will cost 3.1 trillion rubles. Shoygu proposed making this a five-year project, and the federal budget will have to pay for half of the cost. The rest will be up to the regional authorities. Market methods will also have to be brought into play—along the lines of housing certificates. Supporting Shoygu, O. Soskovets cut the timetable for completing the program to three years.

In conclusion, the government discussed the draft law "On Foreign Economic Activity" drawn up by the Ministry of Foreign Economic Relations. According to M. Fradkov, first deputy minister of foreign economic relations, we face the difficult task of integrating the Russian Federation into the world economic order and, at the same time, defending the country's sovereignty and economic security.

Although the draft gives priority to economic methods of regulation, administrative and strong-arm levers have been preserved as well. For instance, the introduction of a temporary state monopoly in imports or exports of any

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goods, and measures to protect the domestic market and citizen-consumers. The prerogatives of Moscow and the regions, the coordination of whose actions is the responsibility of the Ministry of Foreign Economic Relations, are clearly demarcated. Provision is also made for the state's obligation to help Russian enterprises able to produce output that is competitive at world standards.

RCWP Proposes Unification of Parties

MM2012102794 Moscow SOVETSKAYA ROSSIYA in Russian 20 Dec 94 p 2

[Report by Nadezhda Garifullina under the "At the Party Congresses" rubric: "Russian Communist Workers' Party"]

[FBIS Translated Text] Over 230 delegates, roughly 170 invited guests, and delegations from the communist parties of Ukraine, Kazakhstan, Lithuania, Belorussia [Belarus], Latvia, Syria, China, Korea, and Afghanistan took part in the Fourth Congress of the Russian Communist Workers Party [RCWP] which was held in Moscow 17-18 December.

RCWP Central Committee First Secretary Viktor Tyulkin delivered a report. The congress confirmed moves toward the preparation of an all-Russia political strike as a means of removing the ruling regime from power and supported helping the working class get organized for the political battle.

The congress proposed to all communist parties of Russia that a meeting of leaders be held in Chelyabinsk in the second quarter in order to discuss ways of carrying through a unifying congress of communists of Russia. Viktor Tyulkin was again elected first secretary of the RCWP Central Committee.

Economic Issues

Agrarians Call for Payment Delay on Interest

LD1912181994 Moscow INTERFAX in English 1625 GMT 19 Dec 94

[FBIS Transcribed Text] Moscow, Dec 19 (Interfax)—No more than 10 percent of Russia's agricultural businesses, from collective farms to individual farmers, will be able to accomplish all field works next spring. This statement was made by the chairman of the Agrarian Party of Russia and the leader of its faction in the State Duma, Mikhail Lapshin, at his meeting with journalists covering the situation in the country's agriculture in Moscow Monday.

Lapshin pointed out that this and other issues of "the functioning of the agroindustrial complex will be the focus of a meeting of agrarian deputies with Russian Prime Minister Viktor Chernomyrdin," which will possibly be held this evening.

The reason for the meeting was the government resolution No.1220 of November 3 1994 "On measures for sanitize the financial situation of agroindustrial enterprises." According to the document, 50 percent of interest on credits granted in 1993-94 will be levied from all agricultural businesses. This is equal to the value of two harvests, he added.

Considering this, the State Duma passed a resolution asking the government to delay the payment of overdue interests until September or October 1995. This decision was supported by a majority of deputies. In addition, the agrarian faction proposed funds which had been promised to agriculture but never received be used to repay its debt.

The agrarians' main request to Chernomyrdin was to delay the payment of 50 percent of overdue banking interest in order to "manage to prepare for the spring field works."

Agriculture Industry Expects Loss This Year

MM1912142394 Moscow SELSKAYA ZHIZN in Russian 17 Dec 94 p 1

[Report by BIZNES-TASS correspondent Konstantin Savvin: "Countryside Currently Running at a Loss"]

[FBIS Translated Text] According to the final assessments of the outgoing year, Russian agriculture will incur a loss of 1.5 trillion rubles [R] whereas last year it had a profit of over R3 trillion. This was said in an exclusive interview for your BIZNES-TASS correspondent by Nikolay Averyanov, Russian deputy agriculture and food minister. "Today," he said, "there is a threat that unless the financial situation in agriculture improves there will be a sharp reduction in cattle herd numbers."

Among the factors which have caused the crisis situation in the agro-industrial complex the deputy minister cited the violation of price parity in commodity exchange between agriculture and other sectors of the economy, the reduction of the budget's financial support for the agrarian sector, and unfavorable credit terms. At present farms cannot earn as much for their produce as they need in order to cover production costs. Prices for material and technical resources, various services, electricity, and transport have risen considerably faster than prices for agricultural output.

Nikolay Averyanov noted that work is currently being done on questions of redeeming the debt on old credits, current payments for produce which has been sold, and the provision of new credits for the spring work preparations. He did not rule out the possibility that large areas of land will not be sown next year due to the shortage of equipment, spares, and oil products on farms.

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Official Discusses New Stock Market Commission

MM2012101194 Moscow IZVESTIYA in Russian 17 Dec 94 p 2

[Interview with D. Vasilyev, deputy chairman of Commission for the Protection of Investors' Interests, by Igor Karpenko; place and date not given: "Government Creates Commission for Protection of the Interests of Investors"—first paragraph is introduction]

[FBIS Translated Text] We found out a few days ago about the creation, by edict of the president, of the Russian Federation Government Commission for Securities and the Stock Market from a statement by its chairman, Anatoliy Chubays, on the unreliability of finance companies such as "Khoper." The commission is still at the formative stage—representatives at the level of deputy ministers of the Ministries of Finance and the Economy, of the Central Bank, the State Committee for the Management of State Property, the Federal Property Fund, the Antimonopoly Committee, and so on, will join it. Only R. Orekhov (now first deputy chairman) and D. Vasilyev (deputy chairman, leader of the apparatus) have been transferred from the former presidential commission to the new government Commission for Securities. D. Vasilyev told IZVESTIYA about the powers, duties, and work schedules of the commission.

[Karpenko] The principle whereby any economic problem was solved with the help of the formation of a new official structure was a dismal Soviet tradition. In the past, you too, Dmitriy Valeryevich, championed the self-regulation of the stock market and the "removal of the bureaucrat from the market." But, as far as I am aware, you were the elaborator of the draft presidential edict. So your position has changed.

[Vasilyev] I am still opposed to the idea of bureaucrats running the market. The less they "poke their noses" into its affairs the more useful it will be both for the market and for the state. That is what I thought yesterday, that is what I think today, and I do not intend to change my stance. Nor would I like us to build some kind of new vertical structure like the State Committee for the Management of State Property. [Vasilyev ends]

The state cannot leave the market altogether: Someone has to establish the general "rules of the game," elaborate unified standards, and monitor the implementation of legislation, and in Russia the market infrastructure still has to be developed. According to Vasilyev, the professional participants in the market "have a task that is as dangerous to society as a doctor who prescribes medicines or the driver of a vehicle." This type of activity should definitely be licensed. The essence of the matter is: Who will regulate the stock market and how, and the mutual relationhips of its participants.

Vasilyev considers the provision on self-regulating organizations—voluntary associations of professional participants in the market (brokers, investment funds, companies, and so on)—to be one of the central sections of the president's edict. They have existed in Russia for some time now, but it is the first time that their status has been somehow enshrined in an official document.

"I am convinced," Vasilyev said, "that all reliable participants in the market will join such organizations. But the commission must aid their voluntary creation. It will register them, and then the self-regulating organizations will in turn issue licenses to each of the participants in the market.

"Of course, it may turn out, particularly in the early stages, that certain participants in the market do not want to join self-regulating organizations—no one intends to drive them in there by force. They will just have to be licensed somehow by bureaucratic means—by the commissions themselves; there is no other solution."

[Karpenko] What measures may be taken in respect of the violators of the aforesaid rules?

[Vasilyev] We are not going to attack anyone, forcing our way in from balconies wearing black masks and carrying assault rifles in order to arrest a suspect, or anything like that. On the contrary, we will try to help—for instance, help issuing bodies to transform their bearer securities into nominal securities, put the register in order; in a word, to actively support those who want to work in a civilized way on the stock market. Fairly tough sanctions are envisaged against those who deliberately overstep the law. The validity of licenses may be suspended. The question of monitoring financial activity with the help of self-regulating organizations or the Ministry of Finance can be raised. Binding instructions will be sent to the issuing bodies demanding that specific action be taken. Finally, materials can be sent to the courts. The ultimate level of authority is always the court.

[Karpenko] And how does the commission intend to help the development of the securities market?

[Vasilyev] First of all, a great deal of explanatory work is necessary among the population. Second, we will have to qualify our securities, elaborate standards, and prepare the market for the launch of instruments that are new to it, for example, the emission of a second issue of shares.

As soon as the mass trade in securities begins it will be necessary to create depositary-clearing companies. This is labor-intensive work hitherto unknown in Russia. The first pilot scheme for such a company in Moscow is currently being elaborated, and is designed to run for 18 months. Later they are going to appear in every stock center, and ultimately form a single depositary-clearing system—our own Russian NASDAQ [National Association of Securities Dealers Automated Quotations] (a major U.S. center for extra-market trade) capable of entering the world stock market with equal rights.

[Karpenko] Apart from the professional participants, the market depends on the investor. Both domestic and foreign investors are at the moment unwilling to channel their capital into it, in many respects because their rights

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are insufficiently protected there, and securities and shares which come onto the market frequently turn out to be "MMM" notes, "candy wrappers" which have nothing to do with securities.

[Vasilyev] According to calculations, this year the total sum of the population's savings has doubled, and now constitutes over R20 trillion. This is our biggest reserve of investments. The growth of savings is continuing, and almost one-fourth of Russians' income—23 rubles per 100—is now being put aside. Their savings must be transformed into investments. With this aim in mind, we want to make the market "transparent," otherwise the investor will not get involved. The commission will confirm the list of information which the issuing bodies are obliged to give to the investor, the procedure for registering a joint-stock company and making it accountable to the investors, the rules for running registers, emission prospectuses, and the procedure according to which the Ministry of Finance will register these securities. [Vasilyev ends]

As there is no law on securities at the moment, this is particularly important. Unfortunately, it is specifically the sections about the protection of the shareholder's rights and responsibility for violating them that is the weakest point in all three drafts of this law which are currently being examined by the Duma, according to D. Vasilyev.

We must begin by running the registers in a civilized way. Joint-stock companies which have over 1,000 members are currently bound by legislation to transfer their registers to an independent register holder. The "LUKoil" concern has set about implementing the first such project, and preparation of the requisite documents is already underway.

Yasin on Plan To Stimulate Private Investments

LD1912182694 Moscow INTERFAX in English 1625 GMT 19 Dec 94

[FBIS Transcribed Text] Moscow, Dec 19 (Interfax)—The Russian government intends to stimulate private investments into the industry and plans to assign for this purpose 1 trillion rubles in 1995 and probably 8-10 trillion rubles in the future, Russian Economics Minister Yevgeniy Yasin said today.

He told the first congress of Russian businessmen that the scheme for mixed financing of projects provided for the state covering 20 percent of expenses on a project carried out by private companies.

Yasin said that Russia had accumulated "rather significant" funds and that conditions must be created for transforming money into wide-scale industrial investments. However, he said that to achieve this two main tasks must be resolved, including lowering the inflation rate and minimizing risks for entrepreneurs.

Energy, Fuel Sector Seen Important to Economy

MM1912163194 Moscow ROSSIYSKAYA GAZETA in Russian 17 Dec 94 First Edition pp 1, 3

[Article by Academician Dmitriy Lvov, deputy director of the Central Economics and Mathematics Institute: "Fuel And Energy Complex Is Our Breadwinner. But Its Power Will Grow Sharply If Effective Management of State Ownership of the Oil and Gas Complex Is Organized"]

[FBIS Translated Text] Encountering strong international competition, the Russian fuel and energy complex has deliberately adopted the modern ground rules in world markets and has espoused an active sales policy. As a result, the fuel and energy complex today is the main supplier of hard currency for Russia. On the basis of the results of 1993 exports of its main types of output brought Russia $20.191 billion.

Russian oil and gas continue to be highly sought-after by foreign entrepreneurs. Fuel and energy complex production facilities are the most liquid investment area in the entire Russian economy. They require no large-scale restructuring, but are in acute need of technological modernization, which will produce rapid returns on investment. The fuel and energy complex can be the "locomotive" which will pull the Russian economy out of the "dead zone" of the investment crisis—and the investment raised in this area will trickle down the technological chain, first to sectors serving the infrastructure complex and then to other national economic sectors.

But, despite the complex' immense economic potential and political clout, the fuel and energy complex economy is encountering a whole number of acute problems. First and foremost, the chronic shortage of investment and, as a consequence, the high level of disrepair and obsolescence of production potential, which is resulting in a slump in oil and gas production.

The defaulting on deliveries by domestic and foreign consumers of fuel and energy complex output is having a sharply negative impact on the state of affairs in complex sectors.

The fuel and energy complex' problems are the general ills afflicting the entire present-day Russian economy. But their acute manifestation in complex sectors has been caused not by market mechanisms but by their absence. In relations with customers from countries of the near abroad priority is given not to economics but to politics. The same approach holds good in settling the question of the release of energy sources to certain categories of Russian customers—for instance, budget-funded spheres, including military-industrial complex sectors. Under these conditions the complex is becoming, as it were, hostage to Russian domestic and foreign policy.

The directive foreign-economic resolution of the question of supplies of output to debtors means that the fuel

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and energy complex is essentially turning into the biggest creditor of both Russian enterprises and of enterprises in the countries of the near abroad. And this credit (in the form of defaulting on payment for shipments) is open-ended and interest-free, which, in the context of inflation, is equivalent to direct losses.

Nor has the privatization of fuel and energy complex enterprises made things any easier. Voucher privatization did not generate an influx of real resources, but considerably weakened the manageability of the complex. For instance, the creation of a number of parallel vertical structures led to the paradoxical fact that in world markets Russian companies are competing with other Russian companies, trying to beat each other's prices. The benefits from this kind of privatization have been minimal. Thus, direct foreign investment in 1993-1994 came to the truly laughable figure of $475 million (as opposed to a fuel and energy complex funding requirement calculated even back in 1992 at $30 billion).

The defaulting problem turns out to be not so much "mechanical" (the claim that, by equalizing their pricing structure and the necessary monetary injections, enterprises can easily balance their relations with suppliers and customers) as economic and political. A considerable proportion of fuel and energy complex enterprises' accounts receivable are budget debts. The state's shortage of funds is to all intents and purposes being supported and even encouraged by the accumulation of payment problems in the country's economy.

In order to get out of the crisis we will need to resolve two paramount tasks—overcoming the investment crisis and eradicating the defaulting problem.

Currently, in conjunction with specialists from the Russian Federation Ministry of Fuel and Energy, we have elaborated an action program in the process of whose implementation these tasks can be effectively resolved. The proposed option for the development of the fuel and energy complex—through a system of vertically integrated companies—contains a whole number of both economic and sociopolitical advantages. Combining all technological components—"from the wellhead to the gas pump"—in a single organizational structure will make it easier to carry out long-term investment strategy and increase the company's financial strength. I think that numerous associated plants and customers—including outside of Russia—will soon want to join in this economic alliance. This means that multinational corporations and financial-industrial groups wielding sufficient potential and influence for effective macroeconomic regulation will become a reality.

But, first and foremost, we need to be concerned about effective ways to administer property. The state currently controls a powerful market tool for managing and raising investment—blocks of shares in fuel and energy complex enterprises that have been retained in state ownership for at least three years from the time of privatization. The question arises of how to make most effective use of them. In our opinion, the State Committee for the Management of State Property should transfer the holdings to a federal agency for administering oil and gas complex property specially set up for this purpose. Such an agency would make the stock market work not only for individual enterprises and concerns, but for the entire fuel and energy complex. Moreover, only in this event will it be possible to implement a unified state policy on the stock market aimed at shaping real prices for fuel and energy complex shares and stopping national assets from being sold off for a pittance. This can be achieved if the Russian Federation Ministry of Fuel and Energy issues bonds backed by these shares. The proposed features of these bonds—a foreign-currency face value, a stable annual yield (exceeding the level of share dividends), their comprehensiveness (each such bond would to all intents and purposes by guaranteed by all the Russian fuel and energy complex' raw-material and production potential), the state status of the bonds (meaning state guarantees), and information, legal, and other support for purchasers—will make them attractive investments for Russian and foreign investors.

The income from stock market operations will be channeled into funding the investment programs drawn up by the Ministry of Fuel and Energy touching on the entire spectrum of investment activity—from direct investment in specific enterprises to the leasing of equipment and the creation of a system of insurance funds guaranteeing investment in the fuel and energy complex.

At the same time, it is important to ensure the expansion of the the Ministry of Fuel and Energy's investment opportunities by accumulating some of the foreign-currency receipts from the export of energy sources. To this end it would be expedient to set up a federal investment fund within the framework of the Ministry of Fuel and Energy. Foreign-currency resources could be channeled into meeting the Ministry of Fuel and Energy's commitments on its bonds, into attracting additional credit resources (for instance, from foreign financial and lending institutions) into the complex, and into renewing and developing the sector's production base.

But the decisive say in overcoming the investment crisis should go to fuel and energy complex enterprises themselves. To this end they need available funds that are currently locked up as a result of the total financial crisis—inflation and the deteriorating defaulting situation currently make it impossible for producers to consider strategic investment programs. State support will be needed to give fuel and energy complex enterprises a "free hand." First and foremost, it will require technical credits from the Ministry of Fuel and Energy in order to "unlock" defaulting payments.

The elimination of the payments crisis in the fuel and energy complex will help to solve payments problems throughout the economy—after all, each ruble of non-payments in the fuel and energy complex gives rise to 4-5

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rubles in nonpayments in the national economy. Moreover, no less than 70 percent of the funds channeled into the fuel and energy complex in the form of technical credits will in the very near future (approximately in the next three months) be returned to the federal budget through tax payments by enterprises in the fuel and energy complex and related sectors.

Military Issues

Missile Forces Launch First Topol-M ICBM

LD2012111694 Moscow ITAR-TASS World Service in Russian 1035 GMT 20 Dec 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 20 Dec—The first Topol-M Russian intercontinental ballistic missile was successfully launched at the Strategic Missile Forces State Testing Ground today. Col-Gen Igor Sergeyev, commander in chief of the Strategic Missile Forces, told ITAR-TASS that this missile is today the only one wholly manufactured by the Russian defense industry. It was built at the Moscow Heat Technology Institute under the direction of general designer Boris Lagutin. After the full program of tests has been completed, the missile will join the arsenal and be deployed at silo and mobile complexes.

Gen Sergeyev commented that serial production of this missile will make it considerably easier to bring the Strategic Missile Forces up to strength with new strategic weapons. This, he said, will enable us to change the systems which are nearing the end of their guaranteed use period. This is important to give the Strategic Missile forces a simple, flexible, and rational combat composition, with a single universal intercontinental ballistic missile.

At the moment, the commander in chief said, there are seven types of missiles in the Strategic Missile Forces. Many of them were manufactured in Ukraine, which currently makes their use, technical servicing, and modernization difficult. The Russian Topol, which has every possible improved characteristic and fully corresponds to the requirements of the treaties on reducing offensive weapons, is the optimum way out of the current situation for the Russian Strategic Missile Forces. "For the Russian Federation our Topol is advantageous and makes economic sense, because it is much cheaper than other missile complexes to manufacture and use, and is unrivalled in terms of some combat characteristics," Col-Gen Igor Sergeyev declared.

Yeltsin Ratifies Controlled Chemicals List

MM1912140194 Moscow ROSSIYSKAYA GAZETA in Russian 17 Dec 94 First Edition p 4

[Russian Federation Presidential Directive No. 621-rp, signed by Russian Federation President B. Yeltsin and dated 7 December 1994: "On Controlling Exports from the Russian Federation of Nonmilitary Chemicals, Equipment, and Technologies Which Could Be Used To Develop Chemical Weapons"]

[FBIS Translated Text] 1. The list (appended) submitted by the Russian Federation Government of nonmilitary chemicals, equipment, and technologies which could be used for the development [sozdaniye] of chemical weapons, exports of which are controlled and carried out under license, is hereby ratified.

2. The Russian Federation Government shall ratify the Statute on the Procedure for Controlling Exports from the Russian Federation of Nonmilitary Chemicals, Equipment, and Technologies Which Could Be Used To Develop Chemical Weapons.

3. It shall be prescribed that the foreign economic activity schedule codes given in the list appended to this directive may, if necessary, be clarified by the Russian State Customs Committee by agreement with the Russian Federation Export Control Commission.

4. Russian Federation Presidential Directive No. 508-rp of 16 September 1992 shall be considered null and void.

5. This directive comes into force from the moment it is signed.

[signed] Russian Federation President B. Yeltsin

[dated] 7 December 1994

No. 621-rp

Note: The list is not being published.

Federal Assembly

Few Duma Deputies Support Withdrawal From Chechnya

LD1912220294 Moscow INTERFAX in English 1911 GMT 19 Dec 94

[FBIS Transcribed Text] Moscow, Dec 19 (Interfax)—Only a few deputies of the Federation Council support an immediate withdrawal of Russian troops from the Chechen Republic.

A well-informed source in the upper house of the Russian parliament told Interfax that only about 20 deputies, mainly belonging to the faction Russia's Choice, bloc YABLOKO and extreme nationalist and patriotic association headed by Pyotr Romanov and Vasiliy Starodubtsev, voted in favor of immediate withdrawing Russian troops during a roll-call vote Saturday.

The same source who spoke on the condition of anonymity said that most deputies stuck to the principle of Russia's territorial integrity despite emotions shown during the closed session Saturday. At the same time, deputies painfully spoke of the blood of Russian soldiers and civilians spilt in Chechnya.

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Duma Rejects Tax Amendments Proposed by Government

LD1612213194 Moscow INTERFAX in English 1923 GMT 16 Dec 94

[FBIS Transcribed Text] Moscow, Dec 16 (INTERFAX)—The State Duma turned down amendments to the tax legislation proposed by the government today.

The State Duma discussed the amendments for the first time in November. The Duma then instructed the conciliatory commission of the government and parliament to complete the drafts and to submit them for consideration by the State Duma in the first reading once again. Though the conciliatory commission took into consideration several proposals of parliamentarians for new fiscal laws it was recommended to continue work on the draft amendments.

The dispute concerned the draft laws amending the laws on the basis of the Russian tax system, on value added tax, on tax on profits of enterprises and organizations and on income tax on individuals.

The conciliatory commission recommended that the State Duma approve the amendments to the law on the basis of the Russian tax system separating the terms of "tax" and "dues," establishing a closed register of regional and local taxes, obliging fiscal services to inform the population on paying taxes and reducing the administrative sanctions for violating the tax legislation from 200 to 100 percent.

The law on tax on profits of enterprises and organizations stipulates for increasing the fixed amount of expenditure on payment of wages free from taxes from six to eight minimum wages from January 1, 1995, and for cancelling the tax on actual expenditure on payment of wages exceeding the fixed norm of expenditure on wages from January 1, 1996.

The conciliatory commission said that the law on value added tax could include in it the register of goods on which the minimum ten percent rate was imposed on meat products, children's shoes and clothes. The commission proposed that the special tax on financial support of the main industries of the economy be lifted though the government proposed that the two percent tax be preserved.

The commission recommended that the law on income tax on individuals impose taxes on income of individuals according to the total scale of income tax instead of imposing taxes on their income at permanent place of work. The government proposed that a 30- percent tax be imposed on the total income of individuals.

Regional Affairs

TASS Updates Overnight Situation in Groznyy

LD2012042194 Moscow ITAR-TASS World Service in Russian 0333 GMT 20 Dec 94

[FBIS Translated Excerpt] News from the CIS and Baltics as at 0600 Moscow time (0300 GMT).

Groznyy—Three times during the night the Chechen capital was subjected to air strikes. As the ITAR-TASS correspondent reports, residential areas as well as administrative buildings were hit.

There are casualties, but their exact number, according to a report by Dudayev's Staff, is difficult to establish. Detachments of the people's militia, firemen, and medical crews are providing help to the casualties. [passage omitted]

Groznyy—Dzhokhar Dudayev urges Chechens to "maintain the honor inherent in mountain people" and "not in any circumstances bear a grudge against Russians living in Chechnya". This was reported to the ITAR-TASS correspondent, over the phone, by the head of his press service, Khasin Raduyev. He said Dudayev's appeal was dictated by the circumstance that "citizens of Chechnya, enraged by the mass killings of civilians, children, women and the elderly, are after each air raid demanding more and more insistently the execution of Russian soldiers and officers who remain in captivity." [passage omitted]

Khabarovsk Kray Border Guards Leave for Chechnya

OW2012051594 Khabarovsk Radio Khabarovsk Network in Russian 0940 GMT 19 Dec 94

[From the "Kray News" newscast]

[FBIS Translated Text] Unfortunately, the Chechnya events did not pass the Far East by; the Far East Border District's Chemical Defense Brigade is on increased readiness. However, as always, the border guards are going to the front line— a motorized Khabarovsk Border Guard unit was boarding railway cars today. Soldiers, officers, and warrant officers, fresh from assignment in Tajikistan, are again being sent to a hot spot. The arrival of the group in Groznyy is planned for 25 December.

Border With Azerbaijan 'Sealed Off;' Yegorov To See Troops

LD1912190394 Moscow Mayak Radio Network in Russian 1800 GMT 19 Dec 94

[FBIS Translated Text] Deputy Prime Minister Nikolay Yegorov, the authorized representative of the Russian president in the Chechen Republic, intends to take part in the session of the State Council of Dagestan on Tuesday. One of the main issues will be that of the seizure of 20 Russian servicemen as hostages in the settlement of Khasavyurt on the territory of Dagestan. At the present time, some of them are in Groznyy.

Nikolay Yegorov and Sergey Stepashin, director of the Federal Counterintelligence Service, who is also leaving for Dagestan, plan to visit the deployment site of the Ministry of Internal Affairs special purpose regiment, one of whose tasks is to guard the Chechen-Dagestan frontier.

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Speaking at a briefing in Mozdok, Nikolay Yegorov reported that as of today the Russian-Azerbaijan border has been completely sealed off by Russian border guards. According to the deputy prime minister, transport traffic and the movement of the population is being strictly monitored.

Dudayev Statement Favors Cease-Fire, Negotiated Solution

LD1912190894 Moscow ITAR-TASS World Service in Russian 1852 GMT 19 Dec 94

[ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 19 Dec—Official Groznyy does not rule out the possibility of resuming negotiations with Moscow, according to a statement by Dzhokhar Dudayev's press service released by the CHECHENPRESS agency this evening.

The Chechen side has always been in favor of a peaceful solution of disputed issues, and continues to favor this, the document asserts. "In the situation which has emerged, when every hour of armed confrontation is costing human lives, the most sensible solution would be to cease all combat actions immediately and sit down at the negotiating table," the statement says.

Blames Western Leaders for Chechen Situation

LD1912215794 Moscow Ostankino Television First Channel Network in Russian 2053 GMT 19 Dec 94

[From the "Novosti" newscast]

[FBIS Translated Text] After Dzhokhar Dudayev rejected the talks repeatedly offered to him, the actions of his supporters became more active and cruel. It is precisely for this reason that the government and the Security Council have decided that the Russian Armed Forces should act more energetically. The servicemen and the civilian population will thereby be provided with maximum security.

Some details of the positions of Dzhokhar Dudayev became clear today. At his news conference he said in particular:

[Begin Dudayev recording] I blame both Clinton and Major, and Mitterrand and Kohl who bear responsibility. If this policy of Satan continues, Russia is condemning itself to death with its own hands. [end recording]

No Volunteers To Aid Dudayev Noted in N. Caucausus

LD2012014794 Moscow ITAR-TASS World Service in Russian 2312 GMT 19 Dec 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 20 Dec—There are virtually no structures organizing volunteer detachments to aid Dudayev's regime in any North Caucasian republic. A number of telephone conversations which the ITAR-TASS correspondent has had with representatives of the leaders of Dagestan, Kabardino-Balkaria, Adygeya, Ingushetia, and Karachayevo-Cherkessiya testify to this. They all stressed that the statements made by individual, nationalistic forces on behalf of the Confederation of Caucasian Peoples that "special headquarters to support Chechnya" had been set up in the region were untrue.

Dagestan's permanent representative under the Russian Federation president, Gadzhi-Kurban Shaydayev, denied claims that the "Confederation of Caucasian Peoples has set up a headquarters for assistance on the republic's territory". He described statements made by individuals from the Confederation of Caucasian Peoples that, allegedly, "headquarters are being set up in Makhachkala and Khasavyurt" as "nonsense" and he stressed that "there are no pro- Dudayev Dagestani volunteer detachments".

Adygeya President Aslan Dzharimov expressed "the firm intention to give humanitarian aid to the suffering people of the Chechen republic and refugees from the republic". He also stated that "there are no headquarters for aid to Dudayev in Adygeya".

Viktor Savalyev, Chairman of the People's Assembly of Karachayevo-Cherkessiya, stressed the impermissibility of inciting nationalism in the North Caucasus. He noted the complete absence of any organized activities in the republic of the pro-Dudayev forces in forming volunteer detachments.

The permanent representative of the Kabardino-Balkaria republic under the Russian Federation president, Vladimir Mastafov, stated firmly that there were no "organized forces supporting Dudayev" on his republic's territory. His press secretary, Kazbek Malukhov, in turn described reports that groups of mercenaries were being formed in Nalchik for Chechnya as crude disinformation.

There is no organized support for Dudayev in Ingushetia either. Magamet Ogurchiyev, the chief of the political department of the Ingushetian permanent mission under the Russian Federation president, said "the creation of illegal formations in support of Dudayev is impossible on the territory of Ingushetia".

Dudayev Said To Have 'Burned Bridges' to Talks

MM2012091194 Moscow ROSSIYSKAYA GAZETA in Russian 20 Dec 94 First Edition p 2

[Unattributed article under the "Chronicle of Events" rubric: "Lay Down Your Arms!"]

[FBIS Translated Text] An extremely alarming situation of deadlock fraught with grave consequences has developed through the fault of official Groznyy.

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On Sunday [18 December] Russian President Boris Yeltsin made another good will gesture aimed at a political settlement of the situation in the Chechen Republic. In a telegram addressed to Dzhokhar Dudayev, he proposed a meeting "without delay" in Mozdok with Russian Vice Premier Nikolay Yegorov and Russian Federal Counterintelligence Service Director Sergey Stepashin for the purpose of signing that very day the corresponding document on a cease-fire and the surrender of weapons.

Dudayev has been given other peace signals from Moscow. For example, Sergey Filatov, director of the Russian President's Staff, stated at a press conference on Sunday that if Dudayev "gives his supporters a clear order to lay down their arms immediately, the settlement of the Chechen crisis will return to a peaceful path."

By the end of Sunday, however, Dzhokhar Dudayev sent the Russian head of state a reply in which he merely stated a "readiness to receive the Russian president's plenipotentiary representative in Groznyy." At a press conference in Groznyy the Chechen leader stated that the Chechen people "will not allow him to meet with Yegorov or anyone else."

Oleg Soskovets, first vice premier of the Russian Federation, stated at a session of the Russian Government's operational staff on Sunday that "Dzhokhar Dudayev is not making any visible attempts to embark on real talks." In Oleg Soskovets' opinion, Groznyy is doing "everything it can to prolong the process in the hope of winning time to consolidate its supporters both within Chechnya and outside its borders."

Thus it seems that Chechnya's leader Dzhokhar Dudayev has actually "burned the bridges" along the path toward talks and the settlement of the conflict in that republic by peaceful means and has chosen the path of armed opposition to Moscow's actions which are designed to instil constitutional order in the Chechen Republic. In this connection a representative of the Russian President's press service has told an ITAR-TASS correspondent that "there will be no more replies to Dzhokhar Dudayev's subsequent telegrams."

Chechen National Government Adviser Predicts Dudayev's Fall

LD1912201794 Moscow INTERFAX in English 1911 GMT 19 Dec 94

[FBIS Transcribed Text] Nalchik, Dec 19 (Interfax)—According to an advisor to the Chechen national revival government, Saladin Abubakarov, "the government headed by Salambek Khadzhiyev will comprise the basis of territorial bodies of power in Chechnya being formed by Russian Deputy Prime Minister Nikolay Yegorov." He made this statement at a briefing in Nalchik Monday. Abubakarov ruled out as impossible participation of Dudayev's officials in the bodies of power of a renewed Chechnya saying "all of them were criminals who will necessarily be called to account."

Commenting on the latest developments, Abubakarov said that Dudayev's regime would "fall maximum in a week." He pointed out that "Dudayev's basis is comprised by about 4,000 people, 2,500 of whom are mercenaries and 1,500 professional criminals."

Filatov: 'Special Operation' Being Prepared Against Groznyy

LD1912233994 Moscow Ostankino Television First Channel Network in Russian 2053 GMT 19 Dec 94

[From the "Novosti" newscast]

[FBIS Translated Text] This is what the head of the president's administration reported to our program today.

[Begin recording] [Sergey Filatov, head of the the presidential administration—captioned] Groznyy remains the main source where arms are concentrated. Correspondingly an operation to confiscate the arms in that town is being prepared. Naturally there is no question of storming, of bombing. Some people have been talking about it. It is a question of a special operation which will be devoted to it in order to implement the president's decision. [end recording]

Russian Planes Carry Out 'Third' Air Strike

LD1912232394 Moscow ITAR-TASS World Service in Russian 2233 GMT 19 Dec 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 20 Dec—The next air strike, the third this night, has been carried out on Groznyy at 0030 hours in the morning of 20 December. Dzhokhar Dudayev's headquarters report that whereas Russian planes fly toward the Chechen capital with engines muffled, they fly back after fulfilling their task with engines roaring. There is no information on casualties.

Air Attack Causes Damage, Death

LD1912215394 Moscow ITAR-TASS World Service in Russian 2138 GMT 19 Dec 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 20 Dec—Residential areas and administrative buildings in the Chechen capital of Groznyy were hit by an air strike at exactly midnight. People have been killed, but their exact number is difficult to determine, according to information from Dudayev's headquarters. People's volunteer detachments and firefighting and medical teams are helping the injured, the same source reports.

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Chernomyrdin Chairs Chechnya Meeting; Attacks To Continue

LD2012112594 Moscow Mayak Radio Network in Russian 1000 GMT 20 Dec 94

[Report by Mayak observer Vladimir Pasko from the press service of the Russian Federation government]

[FBIS Translated Text] Hello, esteemed listeners. I am at the press service of the Russian Federation. Here they are concentrating on analyzing all the information about the situation in the Chechen republic, the Northern Caucasus, and other regions of Russia and also a large volume of international information and are then handing it over to news agencies, newspapers, the radio and television. A little while ago the press service prepared the following report for the press.

At 1000 today the latest meeting took place under the chairmanship of Viktor Chernomyrdin to analyze the situation in the Chechen republic and adjacent regions in the North Caucasus. The conference was attended by members of the government, members of the Security Council, representatives of the administration of the Russian Federation president, and Federation Council chairman Shumeyko.

The participants in the conference noted three new fundamenal elements characteristic of the situation.

First, the troops of the Ministry of Internal Affairs and the Ministry of Defense of the Russian Federation have started to act more resolutely. The night-time tactics came as a surprise to the armed fighters. Their losses have considerably increased. During the night 15 units of military equipment and artillery installations belonging to the illegal formations were destroyed. Russia's armed forces have come right up to Groznyy in the northern, north-western, north-eastern, and eastern directions. The corridor in the southern direction has become narrower.

Second, a large number of the illegal armed formations are preparing to draw back to previously prepared bases, defensive positions in the mountains in the southern direction. The families of leaders and gang members are hastening there. The Russian population in Groznyy and other areas where the gangs are located are prohibited from leaving. According to information from intelligence groups, they will be used as human shields to act as screens for the criminal groupings.

Third, the protests of the local population have drastically heightened against the systematic robbery and marauding, which are practised primarily against the Chechen population in Groznyy and other areas where the groups of gangs are active. The leadership in Groznyy is extremely concerned by the fact that they have miscalculated in reckoning on the support of the population that has been frightened by them.

Throughout today, the statement says, Russian troops will continue to conduct missile and bomb strikes on the most important facilities and will resolutely pursue offensive actions.

Russian Tank Column Surrounded in Groznyy, Being Destroyed

LD2012083594 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 20 Dec 94

[FBIS Translated Text] Fighting resumed this morning in the suburbs of Groznyy. Procurator General Usman Imayev told us that a Russian tank column tried to break through to Groznyy but was surrounded by Chechnya Government forces. Imayev said that the destruction of the Russian tanks is now underway.

Far Eastern Border Troops To Reinforce Caucasus

LD2012085494 Moscow ITAR-TASS in English 0826 GMT 20 Dec 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow December 20 TASS—Reinforcements consisting of soldiers and officers experienced in conducting combat activities in mountainous areas are to arrive in the Caucasus from Russia's Far East soon, ITAR-TASS learned from the Russian Federal Border Guard Service today.

The reinforced mechanised group is manned with servicemen who have completed training on the Tajik-Afghan border and other areas which came under attacks from the local Islamic opposition.

The group equipped with armoured vehicles will not be involved in disarming the illegal Chechen armed formations. Its units will be deployed along Russia's southern border to ward off the smuggling into Russia of arms, ammunition, drugs and other contraband goods, Federal Border Guard Service officials told ITAR-TASS.

The same sources stressed that the reinforcement of Russia's southern frontiers was a forced measure in response to the growing number of attempts to organise permanent contraband transportation channels in the region destabilised by the Chechen conflict.

Russian Troops Advance to 10 KM East of Groznyy

LD2012114094 Moscow ITAR-TASS World Service in Russian 1122 GMT 20 Dec 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 20 Dec—By 1300 [1000 GMT] today, the Russian troops' northern group outflanked the positions of Chechen defense forces in the area of the village of Petropavlovskaya and advanced to the road bridge over the Sunzha river 10 km from the eastern suburb of Groznyy. The ITAR-TASS correspondent learned this from Dudayev's main staff.

Troops Total 40,000

LD2012113494 Moscow INTERFAX in English 1123 GMT 20 Dec 94

[FBIS Transcribed Text] Mozdok, Dec 20 (Interfax)—The operation to block illegal armed formations in

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Chechnya involves a Russian army grouping of about 40,000 men, an informed source in Mozdok (North Ossetia) told Interfax on Tuesday [20 December].

The grouping consists of units of the armed forces and interior troops, and special units.

The same source said that the North Caucasian Military District had supplied the forward detachments with heavy military equipment.

Our corespondent reports that the forward detachments, stationed on the approaches to Groznyy mostly consist of Russian servicemen, and include airborne and motorized infantry units.

Chechen Prosecutor Foresees 'Military Coup in Moscow'

LD2012112894 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 20 Dec 94

[FBIS Translated Text] In Groznyy there is a belief that the developments in and around the Chechen Republic are closely connected with a political crisis in Moscow. Hear what Usman Imayev, procurator general of the Chechen Republic has to say:

[Begin Imayev recording] It is not about the Chechen Republic and not about the hostilities conducted here. It is a means to divert the attention of the Russian people from the events that are to take place in the next few days in Moscow itself. From the very first step and before the hostilities began—look at the deployment in the city of Moscow, around the beltway. [sentence as heard]. Remember my words—tomorrow or the day after you will see what your own military are going to do in Moscow. What is happening is that in the top leadership of the Russian Federation a division of power and infighting is under way. As a ploy to distract President Yeltsin's attention from the main thing to something secondary they began combat operations here—and in the meantime preparations are being made for a military coup in Moscow. [end recording]

Groznyy Situation 'Out of Control'

LD2012113894 Moscow Russian Television Network in Russian 1100 GMT 20 Dec 94

[From the "Vesti" newscast]

[FBIS Translated Text] The Russian Government press office says that Groznyy is in the grip of panic. Badly organized but well- armed groups are trying to put out the fire at the military sites hit by bombs during the targeted air strikes. Attempts are being made to sort out the heaps of rubble. However, the hardware established in the streets is obstructing the firefighters. According to reports by intelligence groups [razvedochnaya grouppa], the situation in the town is out of control.

General Babichev Said 'Relegated to Background'

MM1912195294 Moscow KOMSOMOLSKAYA PRAVDA in Russian 20 Dec 94 pp 1-2

[Report by Aleksandr Yevtushenko: "Last Hopes Crushed by Tanks: Our Special Correspondents Report From Groznyy, Khasavyurt, and Mozdok"]

[FBIS Translated Excerpt] Nazran, Groznyy—[passage omitted] On Saturday evening [17 December] I left Groznyy. I went to Nazran. Not because I was particularly afraid of Vice Premier Nikolay Yegorov's promised missile and bomb attack on Groznyy or because I was acting on Boris Yeltsin's instruction to journalists to leave the city before 2400 hours. It was simply that I had to help my colleagues from the foreign news agencies' Russian services in their evacuation. Late that night we were traveling along a bypass road, circumventing the troop convoy stationed alongside the Rostov-Baku highway. We were only a couple of dozen kilometers from Nazran when shots rang out not far away beyond the Rostov-Baku road. At first it was machine gun fire, then the big guns began to roar. [passage omitted]

The seven wounded men I spoke with at the rayon hospital had already decided what they would be doing "tomorrow." [passage omitted]

A bullet had shattered Idris Khazayev's elbow. They had to amputate his arm almost up to the shoulder. He is 27 years old, a good-looking, strong young man. But instead of an arm he now has a stump. You sense that he is really desperate to join the fray to take revenge for his mutilation. Alongside him was 14-year-old Ruslan. When his house was shelled a falling beam broke his nose. Now these have been joined by six who were shot at near Nesterovskaya.

"If there are no commanders here I will contact them by radio from your armored personnel carrier," the head of the rayon administration said, and without waiting for consent climbed aboard. On another occasion he might simply have been shot for doing this. But now, in the presence of State Duma deputies and journalists....

I climbed onto the APC and there was the lieutenant colonel in command of the Internal Troops battalion, as high as a kite. This was the man who had "gone off somewhere." Now try to figure out who gave the order to fire on the refugees.

That is what a special investigations group is now doing. But the interesting thing is this: As Boris Agapov [vice president of Ingushetia and lieutenant general of airborne troops] told me, the morning after the incident he found out that General Chendarov, commander of the convoy, had been removed from his post "for the sloppy movement of the convoy across the territory of the Ingush Republic." So nothing more, it seems, can be expected of him.

General Babichev, commander of another division, an Army division, has been relegated to the background

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[zadvinut na vtoroy plan] too. I do not know the official reason for the redeployment [peredislokatsiya] of his convoy from the front-line. But it cannot be ruled out that it was due to the general's statement: "We have no quarrel with the Chechens. And I will never give the order to fire on the civilian population."

Indeed, Babichev and the inhabitants of the local settlements have found a common language. Under an accord with the general the Chechens have set up a checkpoint 4 km from the convoy and no armed person is allowed to pass through. There are women and old people forming a picket in front of the convoy. They have thrown a beam across the road and hung up a banner. The message on it reads: "Rulers of Russia, think of your sons." They are warming their hands on a bonfire and cooking food on it. [passage omitted]

Territorial Administration in Chechnya 'Unconstitutional'

MM1912162594 Moscow IZVESTIYA in Russian 20 Dec 94 p 2

[Report by Valeriy Vyzhutovich: "Chechnya Will Spurn Kremlin's Representatives"]

[FBIS Translated Text] The Chechen Republic flag is still fluttering over the presidential palace in Groznyy. Dzhokhar Dudayev has not abdicated his powers and has not fled abroad. Meanwhile the Kremlin has already proclaimed its authority in the rebel republic: The Russian president has signed an edict on establishing a territorial administration [upravleniye] in Chechnya led by Vice Premier Nikolay Yegorov.

It is effectively a question of setting up an interim administration. By this statute Moscow has once again categorically indicated that Dudayev is not a president but a pretender. Entering into talks with him at the highest level means recognizing him as head of state. And he is not that because, you see, the Fifth Congress of People's Deputies decreed that the presidential elections in Chechnya be considered illegal and Dudayev's regime unconstitutional.

The respect shown by the occupants of the Kremlin offices for the "historical decisions" of the era of the Soviets is extremely selective. At any rate no one has yet thought of going back at the same time to the documents adopted by last September's congress, which proclaimed Rutskoy president of Russia.

That is not the main point however: There is one case in which the creation of interim organs of government is permitted by law—if a state of emergency has been introduced. But a state of emergency has not been introduced in Chechnya. Consequently, a territorial administration in the Chechen Republic is unconstitutional.

It is quite clear that Chechnya is being offered a regime of occupation. This regime's prospects are also clear. "We have a state and organs of state power, to wit a nationally elected president and parliament," Said-Akhmad Azizov, chairman of Chechnya's Council of Elders, said, "and all attempts to plant other people in our country will bring war, not peace."

According to an express poll conducted by the INTERFAX Sociopolitical Model Building Service, there is a 48-percent likelihood that the new regime will win the support of the local population. And a 72-percent likelihood of the opposite. [figures as published] Some experts consider such support altogether impossible.

What kind of sociology is required to predict infallibly that the Kremlin's representative in Chechnya will by no means meet with a hospitable reception? All the agonizing experience gleaned by Arkadiy Volskiy and Viktor Polyanichko in Nagorno-Karabakh, Yuriy Shatalin in South Ossetia, Georgiy Khizha, Sergey Shakhray, and Vladimir Lozovoy in North Ossetia and Ingushetia attest to the hopelessness of any attempts to "restore constitutional legality and order" via a state of emergency.

The composition of the interim administration in Chechnya will most likely be somewhat ennobled by some local politicians. Vladimir Shumeyko has already suggested in public that Doku Zavgayev, former first secretary of the [CPSU] Chechen-Ingush Oblast Committee, retired chairman of the republic's Supreme Council, and now a staffer on the Russian presidential staff, could be called on here. But is he ready for an assignment home before a field of political activity worthy of his pretensions—currently just a battlefield—is liberated there?

Once the gunsmoke has at least slightly dispersed over Groznyy, there may possibly be volunteers for the role of Kremlin's representatives in Chechnya. But no one will envy them.

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International Affairs

Ministry Advises Citizens To Avoid Chechnya

LD2012120194 Moscow ITAR-TASS World Service in Russian 1131 GMT 20 Dec 94

[Report by UKRINFORM for TASS]

[FBIS Transcribed Text] Kiev, 20 Dec—The Ukrainian Foreign Ministry has appealed to Ukrainian citizens who are temporarily staying in Chechnya or have been caught up in the conflict zone to avoid taking part in the confrontation on either side and to leave the conflict area.

In the document issued today in connection with the worsening situation in Chechnya the Foreign Ministry draws attention of Ukrainian citizens to the need to refrain from visits to the conflict area.

European Parliament Grants 'Macrofinancial Aid'

LD2012114794 Kiev UNIAN in Ukrainian 1000 GMT 20 Dec 94

[FBIS Translated Text] Kiev—The European Parliament has unanimously approved a proposal to grant Ukraine macrofinancial aid to the value of 85 million ECU [European Currency Unit]. UNIAN learned this on 19 December from the European Commission delegation for relations with Ukraine.

Erika Mann, a member of the European Parliament delegation for relations with Ukraine, noted in her speech at the session: "Macrofinancial aid from the European Union is an important political signal of support for radical reforms directed at democratization and development of a market-oriented economy in Ukraine. The reform process is in a critical initial stage at the moment, and therefore aid should be given as soon as possible in order to support reform efforts."

Kiev Supports Bosnia Peacekeeper Extension

LD1912202294 Moscow INTERFAX in English 1911 GMT 19 Dec 94

[FBIS Transcribed Text] Kiev, Dec 19 (Interfax-Ukraine)—Ukraine supports a longer stay of the U.N. peacekeeping forces in former Yugoslavia, Ukrainian Deputy Prime Minister, Defense Minister Valeriy Shmarov told U.S. Secretary of Defense William Perry over the telephone Monday.

The Ukrainian Defense Ministry press service told Interfax- Ukraine that "discussing the situation emerged on the territory of former Yugoslavia, the leaders of defense of the two countries confirmed their common understanding of the need for the U.N. forces' presence in this country."

During the telephone conversation, the two officials discussed additional measures to ensure the security of the peacekeeping forces which include a Ukrainian battalion.

Shmarov and Perry hoped that a specific decision on increasing the effectiveness of peacekeeping operations in former Yugoslavia will be produced by a meeting of the chiefs of the staff of NATO states whose contingents comprise the U.N. peacekeeping forces in the region.

The headquarters of the Ukrainian battalion within the U.N. peacekeeping forces came under a mortar attack on December 18.

Over 36 months of the Ukrainian battalion's stay in former Yugoslavia, 11 Ukrainian servicemen were killed and more than 50 wounded. At the moment, a total of 1,132 Ukrainian servicemen stay in the region.

National Affairs

Moroz Reads Appeal To End Chechnya 'Bloodshed'

LD2012100194 Kiev Radio Ukraine World Service in Ukrainian 0800 GMT 20 Dec 94

["Text" of an appeal by Ukraine's Supreme Council to Russia's State Duma and Federation Council on the events in the Chechen republic read by Supreme Council Chairman Oleksandr Moroz in the Supreme Council—live]

[FBIS Translated Text] On the evidence of the mass media, and in particular the Russian mass media too, combat actions are being conducted in the Chechen republic with the use of heavy weapons, which leads to mass casualties and suffering by the civilian population. Together with representatives of other peoples, our compatriots, Ukrainians residing in Chechnya, have found themselves in a tragic situation. Deeply concerned by their fate, we call on you to take all measures to stop the bloodshed. We are convinced that resolution of the problem by methods of force and arms will not only lead to the conflict deepening, but could negatively affect security in the region and the whole world. Not having any doubt of the Russian people's devotion to democratic values, we call on you to do everything possible so that the high standards of human rights and freedoms consolidated in international pacts, the necessity of adhering to which has been frequently stressed by the Russian leadership, are applied to the indigenous peoples of the Caucasus. We hope that the bloodshed and deprivation of individuals' sacred right to life will be ended and the conflict in this region will be settled by political methods. I put it to the vote.

New MBR Party Pledges To Support Kuchma

LD1912151094 Kiev UNIAN in Ukrainian 1245 GMT 19 GMT 94

[FBIS Tranlated Text] Kiev,—"The main task for the immediate future should be the rapid creation of an efficient and mobile organization with branches in the regions." This resolution was adopted on 18 December

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at the first meeting of the political council of a newly created party, the Interregional Bloc of Reforms.

Eleven people were admitted to the organization's leading structures: people's deputies, entrepreneurs and representatives of the intelligentsia from nine Ukrainian regions.

Volodymyr Hrynyov, the chairman of the meeting and adviser to the president on issues of regional policies and leader of the MBR party, stressed that it was necessary to immediately begin campaigning in the regions in support of the party's policy principles, which envisage market transformations to be implemented by President Leonid Kuchma.

According to information which UNIAN has obtained from reliable sources, Leonid Kuchma will soon meet members of the leading circles of the newly created MBR party.

Workers Union Calls For 'Socialist Advance'

LD1912155094 Kiev UNIAN in Ukrainian 1245 GMT 19 Dec 94

[FBIS Translated Text] Kiev—The all-Ukrainian congress of workers finished its two days of work on 18 December. The Union of Workers of Ukraine [Soyuz Robitnykiv Ukrayiny] was created on its basis, a statute was adopted, and its council and political executive committee were elected. Oleksandr Bondarchuk, a deputy in the Kiev city council, became chairman of the council.

The congress categorically rejected the program of radical reforms announced by the president of Ukraine because it leads to the further impoverishment of a predominant majority of the population, aggravation of class differences, and turning Ukraine into a colonial appendage of the West for raw materials.

The congress expressed itself against intentions to eliminate the system of councils, and in favor of unity of actions by the working class in the struggle for its interests. "The time of the socialist advance has come!"—the congress resolution stresses.

A regulated state economy and replacement of "the present dictatorship by the criminal bourgeoisie with workers' power" were declared to be the alternative to the "course of total capitalization of Ukraine." An appeal to workers in rural areas and workers in CIS countries was adopted.

Petro Symonenko, first secretary of the central committee of the Communist Party of Ukraine, stressed that Ukraine's working class could stand up for its legal rights only in a close union with the workers of Russia, Belarus, and other CIS countries.

After the congress ended a rally of Kiev's workers took place, in which the congress delegates took part too. In an appeal to Ukraine's president, its participants demanded that he fulfil all of his election promises. If the current course of eliminating workers' social gains, further privatization, and price increases continues, readiness was declared for resolute actions, including a Ukraine-wide political strike.

Officials Describe Power Supply Situation

LD1912192094 Kiev UNIAN in Ukrainian 1840 GMT 19 Dec 94

[By UNIAN correspondent Svitlana Korotych]

[FBIS Translated Text] Kiev—The current frequency in Ukraine's power grid fell to 49.15 Hertz [as received] on 19 December, the Ministry of Power Engineering and Electrification told UNIAN. The ministry officials described the situation as close to an emergency. They warned that nuclear power stations would come to a halt at 49 Hertz.

The latest drop in temperatures to six-seven degrees below zero has caused an increase in the consumption of coal, crude oil, and gas at power plants. Hydroelectric power stations have become overloaded due to fuel shortages, consuming three times more water than permitted.

The country's top power engineering officials met on 19 December to discuss cuts in gas supplies to thermal power stations in Kiev. UNIAN has also learned that state district power stations are working to half or one-third of their capacity.

According to the Ministry of Power Engineering and Electrification, Ukraine's power grid may collapse this week unless additional capacity is brought into production at the south Ukrainian nuclear plant.

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Belarus

Korakev on Russian Debt, Energy Issues

MM1912141194 Moscow ROSSIYSKAYA GAZETA in Russian 17 Dec 94 First Edition p 6

[Report by Tereza Khayutina: "Prices Will Be Increased, But Smoothly"—from the "Newspaper Within a Newspaper" section devoted to SOVETSKAYA BELORUSSIYA]

[FBIS Translated Text] "Energy prices will rise smoothly," Belarusian Vice Premier Valeriy Korakev believes. He was briefing journalists on the state of affairs in the sphere of energy saving.

Valeriy Korakev admitted that total debts to the Russian Federation had increased to $460 million. He is including debts of $420 million for gas and $40 million for oil. Despite the fact that the republic has achieved a relatively normal level of ensuring a considerable proportion of current payments in the past few months, Russia has tightened its terms, and is demanding the transfer of some shares in Belarusian enterprises. This applies primarily to "Beltransgaz" and enterprises in the petrochemical complex, motor vehicle construction, the electronics industry, and other national economic sectors.

The meeting participants also touched on the use of alternative sources of energy. The question here is how far this will benefit the republic. Work is currently being done on solar and biogas energy. Incidentally, biogas as a fuel is being tested out on a number of Minsk Oblast farms, and a special program for its utilization is being drawn up for Gomel Oblast. But it will take considerable amounts of money to develop alternative energy sources, specialists believe.

EC Earmarks Technical Aid, Awaits Response

MM1912145194 Moscow ROSSIYSKAYA GAZETA in Russian 17 Dec 94 First Edition p 6

[Unattributed report: "TACIS Offers Help"—from the "Newspaper Within a Newspaper" section devoted to SOVETSKAYA BELORUSSIYA]

[FBIS Translated Text] EC specialists have held an information seminar in Minsk, where they set out for their audience the foundations of the TACIS [Technical Assistance for the CIS] program, which is aimed at providing technical aid worth many millions to the economies of the former USSR countries. And for free. This, the world's largest program of technical aid to the CIS countries, envisages allocating 1,020 million ECU for last year and this.

Belarus is the fourth largest recipient earmarked—after Russia, Ukraine, and Kazakhstan.

"By offering you aid, we are hoping in the future to help ourselves as well," EC Envoy Mr. Gonzalez said, addressing representatives of major Belarusian enterprises, banks, and associations. "After all, there are in Belarus unique production facilities in whose products and technologies Europe is interested. Our task is to help you find business partners in the West and to properly represent your interests in the course of negotiations. We have sent out many faxes setting out our position. But we have not yet had any response back from Belarusian enterprises showing interest."

And this despite the fact that Belarusian entrepreneurs often fall victim to sundry fraudsters, of whom there is no shortage in the West either. So why then are the proposals of the official European organ not being welcomed? I think it is a question of the entrepreneurial aspirations of both state and private Belarusian entrepreneurs. With few exceptions, they are striving to acquire cheap consumer goods abroad, even of poor quality, or to sell all kinds of raw materials—often acquired by circumventing established procedures.

Moldova

Parliament Approves 1995 Expenditures, Revenues

AU1912204194 Chisinau INFOTAG in English 1930 GMT 19 Dec 94

[FBIS Transcribed Text] Chisinau INFOTAG, 19/12/1994—The parliament approved the expenditures and revenues in the 1995 republican budget at the second reading today. After the amendments introduced, the revenues are expected to reach 1.94 billion lei, with expenditures to be 2.24 billion, and deficit 300 million lei.

Anticipated revenues from enterprise profit tax are to be 430 million lei, population income tax 150 million, value-added tax 380 million, excise duties 100 million, land tax 275 million, highway-user tax 62 million lei.

The precise budget envisages economic expenditures worth 104 million, social and cultural expenditures 995 million, servicing of external debts 80 million, maintenance of state government bodies 40 million, indexation of population's monetary deposits 70 million.

The parliament will continue the clause-by-clause consideration of the 1995 state budget next Tuesday. By law, the legislature may consider the draft budget even at the third reading.

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Kazakhstan

Kazhegeldin on Integration With Russia, CIS

LD1912191994 Almaty EKSPRESS in Russian 14 Dec 94 p 3

[FBIS Translated Text] Yesterday's issue of EKSPRESS reported the news conference that Prime Minister Akezhan Kazhegeldin held, together with First Deputy Prime Minister Nigmatzhan Isingarin, on the results of the CIS summit in Moscow. They spoke about the problems of the new approach in the integrating process of the Commonwealth countries. Here is what the prime minister said about this:

Kazakhstan had many issues that required agreements to be signed, including Baykonur, the use of test ranges in Kazakhstan, and the status of Russian servicemen in the republic. Cooperation in the fields of radio technology, defense, and military equipment was discussed. In addition, on the orders of the heads of the two states, Russia and Kazakhstan, simplified procedures for granting citizenship were discussed, as a further development of the agreements that Nursultan Nazarbayev and Boris Yeltsin signed in March 1994. Positions have been coordinated at the level of experts, and there is hope that the document will be initialled in the next few days and signed this year.

The 19 documents submitted for discussion by the heads of government (these mostly concerned the new superstructural body, the CIS Interstate Economic Committee) were basically approved without lengthy discussion.

[Kazhegeldin] "This inspires me with optimism. I have recently gained a particularly acute sense of the integration process having really started, now that states have started to relinquish some of their entire sovereignty and hand over a portion of their powers to interstate bodies, such as the Interstate Economic Committee."

What Does Integration Mean For the Former Soviet Republics?

[Kazhegeldin] "So much work has piled up that could have been avoided if we had not been fooling around since 1985. What does integration mean for the former republics of the USSR? It is extra work! It is work that could once have been avoided! If only the Communist Party of the Soviet Union and Mikhail Gorbachev had not missed out on this opportunity; if only there had not been those violent escapades in Riga and Tbilisi, after which not one minister could say how it had happened.

"Russia was the first to ask for sovereignty. From whom? I can understand from whom Belarus asked for sovereignty. Ukraine also seemed to have reason to ask for it. And who did Russia ask for sovereignty from? In other words, the opportunity was missed.

"We—our generation, and in particular the economic managers and financial experts—essentially have to put right the stupidity of the politicians. Now we are taking on another part of the work. We need to do the spadework that is necessary in the country, and we also need to do interstate work on integration.

"We have given up all the powers that we can to the Interstate Economic Committee. Russia is very positively disposed toward integration, and Ukraine, the state that kept its own view of things for a full three years, is changing before our eyes. But issues still remain outstanding: Belarus and Moldova. Turkmenistan retains its special view of things."

Two Main Principles of Integration: Capital and Ownership

The integration processes between Kazakhstan and Russia go much further.

[Kazhegeldin] "What did we speak about? About the fact that we were jointly creating transnational, industrial finance, joint-stock, and other companies and legal persons to set about the merging of ownership. I am convinced that merging capital and ownership will always push us further toward where we want to be going.

"We told the Russian Government that we were prepared to give away share packages in all our radio factories, and that in exchange we would demand only one thing: The factories must not stand idle and taxes must be paid in time. It seems that this interested the Russian Federation, since going to the trouble of building new factories does not make sense to it.

"They asked us to somewhat accelerate the creation of joint banks. To be frank, banks in Kazakhstan cannot yet move into the Russian market. The tenge has only been around for a year. The currency must become firmly established and must exist in sufficient amounts as to make it possible to carry out intervention in a foreign market. At the same time, one is already beginning to tire of receiving technical loans and credit that disappear into thin air with no returns. That is why we are interested in powerful Russian banks finding a place in our markets and providing credit for those sectors that need this, in the shape of goods and services from the Russian Federation for Russian rubles.

"We in the Cabinet of Ministers appealed to parliament to accelerate its adoption of legislative acts, because if we do not synchronize our market-economy measures and legislation with Russia we will lag behind it, and consequently face the eternal question 'why?' Why are incomes higher, why is life better there, and so on?"

Why Did Customs Barriers Arise?

As soon as the official agreement on Baykonur was signed, Kazhegeldin held a meeting with Russian Prime Minister Viktor Chernomyrdin and newly appointed

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Deputy Prime Minister Aleksey Bolshakov, who is the Russian Government official responsible for relation within the CIS.

[Kazhegeldin] "We discussed matters relating to jointly strengthening the external borders and erasing internal customs borders between Russia and Kazakhstan, as well as adapting the legislative foundations and synchronizing the market-economy steps taken by the governments in order to provide grounds for separating ourselves off by setting up customs borders."

Why Do Customs Borders Exist?

After the republics gained their sovereignty and were recognized by the world community, they were naturally unable to affect each other's imports and exports. The mayhem of re-exporting began right across the former Soviet Union, and two countries in particular, Russia and Kazakhstan, have suffered as a result. That is why Russia was the first to start demarcating borders and brought in the institution of customs controls. We now have a preliminary accord, and if the heads of states approve the customs legislation and data in Alma Ata [Almaty] on 23 December, national laws on customs procedures and data will then be passed on that basis. This will in turn allow the so-called customs union between CIS countries to come into being. Subsequently, if each state, which is party to the agreement, assumes the function of guarding the external borders of these countries, the borders between these countries will be removed.

[Kazhegeldin] "This means that we must assume an obligation not to export Russian goods anywhere unless we have been granted a special right to do so by the Russian Federation."

What Does the Agreement on Karachaganak Give Kazakhstan?

[Kazhegeldin] "I am sure if capital comes in here and we identify mutual interests in merging ownership then the customs and other problems will automatically be resolved. Our Karachaganak Agreement is evidence of this. We will entirely transfer output from this deposit to Russian plants for further processing. We will get exactly as much as we need for our own market. Agreement has been reached with Russia's Gazprom [gas industry] on constructing two gas pipelines to the east and southeast of Kazakhstan, in other words to the capital. In about two months we will already have the necessary volumes on which we agreed.

"All in all, there will be 14 billion cubic meters of gas for 14 million tonnes of condensate. In the first phase, up until mid-1995, we have pledged to supply 4 billion cubic meters of gas and 10 million tonnes of condensate to Russian markets. The price is excellent for us! We are not talking about the 55 dollars per 1,000 cubic meters that we have in the south; it is only about 13 dollars. That means jobs for both countries, although really more for us, since the deposit is here.

"The benefits are obvious. We will link up the gas network, form a common gas consumer market, and do away with problems that used to take two months to resolve.

"Naturally, the Karachaganak Agreement will be a catalyst in the competition of Russian gas and oil companies for the Kazakh market. And our problem will be to make the right choice."

Where Are We, and With Whom?

[Kazhegeldin] "It seems to me that the most recent session of the Conference for Security and Cooperation in Europe, and the speech Bill Clinton made there, had a sobering effect on most CIS politicians. I saw a great desire for integration among those who have not been supporting our integration processes recently.

"All of us, each individual republic, must find our own way. That is what reality forces us to do. Where are we? They are unlikely to allow everyone to join NATO, since they are already not allowing everyone to enter the market. They do not want to give us a lot of money. First of all, they are not eager to part with their money. Second, they have got a lot of problems of their own. Third, we have spent the money unsuccessfully. Fourth, there are no general prospects that the money will be returned. And they want to spend just as much as is needed to keep things calm here.

"We need to grasp this. If we quietly sit and wait for this for another three years, we will quietly turn into a banana republic."

P.S. During the news conference Kazhegeldin used what we think is a nice phrase: "There are no leashes, either long or short; there are only interests." We would put our names to this.

One has to agree that this is not the first time our leaders have spoken about integration within the Commonwealth Independent States, and that things are still not moving forward. But the current period has specific, very important features of its own: There are new faces in government offices across the CIS.

Nazarbayev Demands Industy Management be Improved

LD1912183494 Moscow INTERFAX in English 1625 GMT 19 Dec 94

[FBIS Transcribed Text] Alma-Aty [Almaty], Dec 19 (Interfax)—Kazakh President Nursultan Nazarbayev demanded that the government improve the system for managing the industry and approve a register of the prior investment projects.

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Nazarbayev spoke on the issue during a conference on improving the system for managing the industry and using foreign investments and loans in Alma-Aty today.

Nazarbayev said efficiency of the macro-economic policy directly depended on organization of management.

He demanded that the government ensure a tough order for attracting foreign investments, technical assistance and credits and giving guarantees for holding tenders.

Nazarbayev said a transparent regime must be established for attracting investments in order to prevent abuse in spheres where money was concerned.

President's Meeting Examines Economic Policy

LD2012064494 Almaty Kazakh Radio Network in Russian 1500 GMT 19 Dec 94

[FBIS Translated Text] Nursultan Nazarbayev held a meeting with heads of economic ministries and departments, and experts. The meeting examined pressing problems of improving the organizational scheme for running industry and attracting and using foreign investments and foreign loans. The president was informed of specific proposals regarding legal, organizational, and personnel aspects of the matters being discussed.

The head of state demanded that the government deal with unsolved administrative and organizational problems urgently, achieve unity and coordination of activities of all sections and institutions of the macro-economic management, and introduce strict consistent order in the area of attracting foreign investments, technical assistance and credits, and in the area of providing government guarantees and conducting tenders.

The president gave instructions that a list of priority investment projects be confirmed in the shortest possible time and that capital investments be concentrated on a strictly limited number of sites which are of importance to the entire state. But initially it is necessary to cooperate more actively and dynamically with parliamentary structures and to explain the essence and ideology of proposed bills and the whole program for reforms in committees and commissions of the Supreme Council.

Edict on Social Partnership Adopted

LD1912133594 Moscow ITAR-TASS in English 1305 GMT 19 Dec 94

[By ITAR-TASS correspondent Gennadiy Kulagin]

[FBIS Transcribed Text] Almaty December 19 TASS—Kazakhstan's President Nursultan Nazarbayev adopted on Monday [19 December] a decree aimed at creating a social partnership system in the area of social and labour relations, and at the prevention and settlement of labour conflicts during the transition to a market economy.

Under the decree, a general agreement on labour and other social and economic problems will be concluded every year at the republican level between the cabinet of ministers, republican trade union associations and employers. The president decreed that of priority importance in the agreement will be the obligations of the sides in the area of employment, pay and other social guarantees to citizens, social protection for the most vulnerable groups of the population, and ensurance of peace and national accord of society in the interests of the economic reform.

The drafting of the general agreement, the monitoring of its implementation and the settlement of collective labour conflicts will be the tasks of a republican tripartite commission formed by the participants in the agreement.

The decree says it is expedient to conclude similar regional and industrial agreements between state authorities, trade unions and their associations and representatives of proprietors, and the formation of permanent trepartite commissions for regions and industries.

Uzbekistan Drops Gas Price; Supplies Expected To Recover

LD1912143394 Almaty Kazakh Radio Network in Kazakh 0200 GMT 19 Dec 94

[FBIS Translated Text] Of late, industrial enterprises and residential areas of the southern regions of our republic have had problems owing to gas shortages. But according to relevant sources, as of today gas supplies are expected to return to normal. As was reported earlier, the state delegations from Kazakhstan, Kyrgyzstan, and Uzbekistan which met in Tashkent have come to an agreement. In line with the agreement, Uzbek gas will be slightly cheaper for us.

Prior to that, Kazakhstan paid $80 per 1,000 cubic meters of gas, and now the price will drop to $55. Nevertheless, it is too early to say whether the situation will improve because many enterprises and individuals in our republic are in arrears with their payments for gas.

First Oil Tanker Arrives at Turkish Port

LD1912134394 Almaty Kazakh Radio Network in Russian 0900 GMT 19 Dec 94

[FBIS Translated Text] The first tanker carrying 6,000 tonnes of oil has arrived at a Turkish port from Aktau. The fuel was transported from the Bekbolat deposit in Mangistau region, which is being developed with the participation of the nationalized Turkish Petroleum Company.

The Turks are actively investing in opening up new deposits. The Bekbolat deposit is the first in a series of new discoveries. The Kazakhturkmunay joint venture plans to invest tens of millions of dollars to identify promising sources of hydrocarbons over the next five years.

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Plans To Recover 26.8 Million Tonnes of Oil in '95

LD1912134094 Almaty Kazakh Radio Network in Kazakh 0200 GMT 19 Dec 94

[FBIS Translated Text] If we could currently use all 160 oil fields which have been discovered in our republic by today, our country's oil potential would have been equal to that of Kuwait and other Arab states. But we cannot afford relevant technology, that is, the oil-drilling equipment in which many precious metals are used. Recently, the Cabinet of Ministers adopted a national program of developing the oil and gas industries until the year 2000. In line with the program, 26.8 million tonnes of oil are intended to be recovered in 1995, and 45 million tonnes by the year 2000. Top priority in development will be given to Tengiz, Karachaganak, Uzen, and Zhetybay fields.

Consumer Debts Cause Miners To Turn to Foreign Partners

LD1912141094 Almaty Kazakh Radio Network in Kazakh 0400 GMT 19 Dec 94

[FBIS Translated Text] The Sokolov-Sarbay ore-processing corporation in Kustanay region and the (Isakov) ore-processing industrial complex in the East Kazakhstan region are the main enterprises supplying the Karaganda metallurgical plant and Russia's Magnitogorsk metallurgical plant with raw ore materials. The Sokolov-Sarbay ore-processing corporation has been on the verge of coming to a halt several times because of its consumers' failure to pay. For example, the Karaganda metallurgical plant has debts of 2.5 billion tenge to the ore miners.

So the ore miners decided to look for new consumers for their products. The Sokolov-Sarbay ore-processing corporation has met the (Aidin) International Ltd firm to produce an agreement. Under the agreement, the Kustanay ore miners will sell their output to their Icelandic partners next year.

Farmers Union Establish Kazakh Agrarian Party

LD2012092694 Almaty Kazakhstan Television Network in Russian 1530 GMT 19 Dec 94

[FBIS Translated Text] A united plenum of the Union of Peasants and Council of Collective Farms has ended with a resolution to establish a republican Agrarian Party. Koshkenbay Zhanatov, chairman of the Union of Peasants, was elected head of an initiative group.

Peasants have been forced to go in for politics by the deep economic crisis which has hit agriculture. Judge for yourselves: arrears of wages are 8 billion tenge. The state is the largest debtor. It has not yet paid for grain which was supplied as part of the state order. Tax, credit and finance policies do not take into account the special features of agriculture. The lack of working and credit funds do not allow farmers to even think about increasing production and replacing equipment.

Deputy Prime Minister Akhmetzhan Yesimov, who took the floor at the plenum, stated that despite all the difficulties with the budget farms will be paid about 1.5 billion tenge for the grain supplied by the end of the year, but that state supplies of grain will be abandoned next year and farms should already be thinking today about ways to sell it.

New Journal Publishes Nazarbayev Article

LD2012103994 Almaty Kazakh Radio Network in Russian 0900 GMT 20 Dec 94

[FBIS Translated Text] President Nazarbayev, in a greeting to welcome the first-ever issue of the new KAZAKHSTAN AND THE WORLD COMMUNITY magazine, described it as an outstanding event. The magazine has been founded by the Kazakhstani Institute of Strategic Research under the president of the Republic, the director of this institute, and the editor-in-chief of the magazine, Umirserik Kasenov said. The magazine will become a rostrum for researchers, politicians, artistic figures, entrepreneurs—everyone who can contribute to research of the strategic aspects of modernizing our country and of its integration with the world community.

Umirserik Kasenov says: Our forecasting and analytical journal is a first-ever publication of this kind in Central Asia, and we hope for fruitful cooperation with its intellectual elite. The editorial board will also see to it that the readers will always find in the magazine publications by authors from all over the world.

In the first issue of the magazine, Nursultan Nazarbayev shares his views on the world order and development of democracy. Also published is a paper by Zbigniew Brzezinski: "The geopolitical situation after the collapse of the USSR." William Odom, a retired general of the U.S. army and head of research in national security at the Hudson University, has voiced his opinion in the magazine on the military and technical aspect of changes in distribution of political and strategic powers in the world. Papers by Kazakhstani researches and politologists have also been published. From the new year, the magazine will come out quarterly.

Tajikistan

Amicable Russian-Afghan Talks Reported

LD1912170894 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 19 Dec 94

[FBIS Translated Text] On 15 December, talks took place between the heads of the border guard groups of the Russian Federation and the commanders from Afghanistan at Border Post No. 1, which faces the Darvaz district of the Republic of Afghanistan. The commanders of Afghanistan gave verbal assurances that

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they would not permit border infiltration or other military operations, and that they would assist the return of Tajik refugees to their former places of residence.

The Foreign Ministry reported on 18 December that 30 Tajik guerrillas held talks with border guards at Border Post No. 6, situated in Badakhshan. They expressed a desire to lay down their arms and return to their homeland. One of them came and consulted with border guards and other frontier officials. After the conversation they returned to Afghanistan. They said they would discuss the issue with their comrades and then return to their homeland.

We wish that their intentions are just and wise. Let us have an end to pointless rebellion and confrontation. The leaders of the republic have more than once invited all our compatriots abroad, saying that if they lay down their arms and want to return to their homeland they will be made welcome.

There was an exchange of views on this issue during the conversation between Tajik President Emomali Rakhmanov and Afghan President Borhanoddin Rabbani in Morocco.

Opposition Fighters Intend to Return Home

LD1912121094 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 19 Dec 94

[FBIS Translated Text] Approximately 30 fighters of the Islamic Rebirth Movement of Tajikistan, who are subordinate to field commander Junaydullo, have expressed the view that they intend to return to Tajikistan from Afghanistan and to live there in peace and tranquillity.

A KHOVAR news agency correspondent was informed of this at the press center of the command of the Russian Border Troops in Tajikistan.

According to the servicemen, the fighters explained their decision not to fight any more against the Russian border guards. With this aim, the members of the abovementioned group were supposed to cross the border in the sector of the sixth position of Kalaykhumb border detachment on Sunday. However, the fighters declined the request of the border guards to surrender and provide a list of those who want to return home, and returned to the territory of Afghanistan.

Opposition Using Truce To Prepare for Spring Offensive

LD1912185594 Moscow INTERFAX in English 1717 GMT 19 Dec 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Tajik opposition uses the agreement on temporary ceasefire at the Tajik-Afghan border and inside the republic to accumulate forces and prepare for actions in spring and summer of 1995. The statement was made by Major-General Aleksandr Baranov of the Russian Border Troops Staff.

He said that the opposition "is not interested in the peaceful solution of the inter-Tajik conflict," because "it did not give up plans to overthrow the legitimate authorities through the use of force."

Baranov believes that the opposition's main strike will be aimed at the border section which is controlled by the Kalai-Khumb border guard contingent on the territory of Gorno Badakhshan autonomous region in the east of the republic. The opposition is still hatching the idea to turn the region into a spring-board of intensified actions in spring-summer 1995," he said.

The general believes that the intensified activeness of fighters in the Kalai-Khumb direction was caused by the fact that border guards cut the grouping of approximately 700 people off supply bases on the territory of Afghanistan.

Border guards believe that due to the closure in winter of mountain passes the fighters activity will be transferred to the Pyandj border guard contingent.

According to border troops, despite the agreement of temporary ceasefire from October 22 fighters fired at border troops 21 times and violated the border 31 times. During the "truce" one Russian border guard was killed and 10 wounded.

Meanwhile, Interfax was told by a spokesman for the Russian Federal Border Service, since the beginning of 1994, on the Tajik-Afghan border, there were prevented 321 attempted attacks on the part of the armed fighters. As a result 30 border guards were killed and 42 wounded.

During the reconnaissance fighting border guards found and took away from intruders 17 rocket launchers, four mortars, an anti-aircraft installation, 21 recoilless rifle, 34 grenade launchers, 2442 rockets, as well as 392 kg of drugs. During prediction operations in the border areas on the territory of Tajikistan destroyed was the mine field, 48 secret places with fire arms, foodstuffs and clothes, two strongholds and two fire positions.

Rakhmanov Appoints Agriculture Minister, Regional Officials

LD2012092994 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 20 Dec 94

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[FBIS Translated Text] The formation of the government of the Republic of Tajikistan after the election of the president of the republic is continuing. By edict of President Emomali Rakhmanov, Qurbonali Turayev is appointed minister of agriculture of the Republic of Tajikistan.

A number of edicts are also issued according to which the following appointments are made: Rahmat Bobokalonov, chairman of the town of Khodzhand, Leninabad region; Shokir Jobirovich Sobirov, chairman of the town of Pendzhikent, Leninabad region; Salohiddin Hasanov, chairman of the town of Ura-Tyube; Gulafzo Savriddinova, chairman of the town of Isfara; Valerian Dmitriyevich, chairman of the town of Taboshar Zheltov; Rahimjon Nurmatov, chairman of the town of Kayrakkum; Qosim Rahbarovich Qosimov, chairman of Khodzhand district; Sharif Nazirovich Mazohirov, chairman of Kanibadam district, Mazohirov Leninabad region; Foksily Abdulloyev, chairman of Asht district; Abduhamid Abduvaliyev, chairman of Nausk district; Malik Qurbonov, chairman of Matcha district; Abdumalik Qayumov, chairman of Ganchi district; Usmonqul Shokirov, chairman of Ayni district; Toshtemir Alibekovich Juraboyev, chairman of Jabbor Rasulov district; Rizoqul Murtazoqulov, chairman of Shakhristan district; Ibodullo Ahmadov, chairman of Zafarabad district, Leninabad region.

The edicts will be submitted to the Supreme Council for approval.

Interior Ministry Reports Residents Hand In Weapons

LD1912133694 Moscow ITAR-TASS in English 1244 GMT 19 Dec 94

[By ITAR-TASS correspondents Galina Gridneva and Aleksandr Kharchenko]

[FBIS Transcribed Text] Dushanbe December 19 TASS—Tajik residents have handed in 546 weapons in December, including 245 submachine guns, 10 armour vehicles and big amounts of ammunition, TASS learned from the republican Interior Ministry on Monday [19 December].

The arms surrender was ordered by Tajik President Emomali Rakhmamov on December 2 who theatened criminal charges against those who refuse to hand in guns. Rakhmanov promised during his election campaign this year that he would get rid of illegal armed units.

The Interior Ministry said that weapons are being handed in also in the rebel Gorno-Badakhshan region of the republic where dozens of the so-called self-defence units are active. On Sunday 17 submachine guns, one grenade launcher and one machine gun were handed in there.

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Armenia

Former Mayor of Yerevan Shot to Death

LD1812133394 Moscow ITAR-TASS in English 1314 GMT 18 Dec 94

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Transcribed Text] Yerevan December 18 TASS—Ambartsum Galstyan, former member of the Karabakh committee and former mayor of Yerevan, was killed in Yerevan's Davidashen district late on Saturday [17 December] night by several shots at point-black range.

At 20.50 on Saturday Yerevan's Mashtots district department of internal affairs received messages alerting it to the fact that shooting was heard near one of apartment houses, the press service of the Armenian Ministry of the Interior announced on Sunday.

An operational squad that arrived at the scene of shooting found that Galstyan was gunned down near his own car. An assassin fled. An investigation has been launched by the prosecutor's office of Yerevan's Mashtots district.

A special meeting of the National Security Council to the president of Armenia has been convened in view of the assassination of Galstyan.

The authorities are taking measures to expose the crime and trace the assassin. A special investigation team has been set up. It includes representatives from the prosecutor's office, the Interior Ministry and the State National Security Agency of Armenia.

Political Motive Seen Behind Killing

NC1912141594 Yerevan SNARK in English 0955 GMT 19 Dec 94

[FBIS Transcribed Text] Yerevan, December 19 (SNARK)—Late at Saturday [17 December] night an ex-head of Yerevan Hambartsum Galustian was fired point-blank at one of the Yerevan suburbs.

Galustian was one of the members of a former "Karabakh" committee and actively dealt with policy. After voluntary retirement he founded an own company and was dealing with private business. In the beginning of this year a Minister of Internal Affairs Vano Siradeghian, also one of "Karabakh" members, accused Galustian of illegal trade deals. Ex-head was shadowed a whole day-and-night, and "Tiezerk" company headed by him was controlled.

Today deputies of Armenian Parliament rose in memory of Galustian. One of the most influencing leaders of opposition Vazgen Manukian stated, a murder has been committed by political motives and suggested to call President Levon Ter-Petrosyan to the Parliament.

A meeting of the Parliament has been postponed.

Republican Party Comments

NC1912211194 Yerevan NOYAN TAPAN in English 1547 GMT 19 Dec 94

[FBIS Transcribed Text] 19/12/94 (NOYAN TAPAN)—The Chairman of the Armenian Republican Party's Council Andranik Markaryan noted in his interview that judging by available facts, the murder of Hambartsum Galustyan could not be considered as being politically motivated. "However, we are worried that up to the present moment murders committed for the last two years have not been disclosed", he pointed out.

Pannational Movement's Statement

NC1912212494 Yerevan NOYAN TAPAN in English 1330 GMT 19 Dec 94

[FBIS Transcribed Text] 19/12/94 (NOYAN TAPAN)—The Administration of the Armenian All-National [Pannational] Movement [AANM] issued a statement, expressing confidence that the Armenian law enforcement agencies will find all those who are involved in murder of the ex-Mayor of Yerevan Hambartsum Galustyan. AANM's leadership considers that murder of Galustian marked a new threatening stage in a long chain of unrevealed murders, which independently of their motives have political consequences.

"The Administration of the Armenian All-National Movement condemns this new act of terrorism committed by those, who pursuing their narrow interests use every possible methods to destabilize the internal political situation in the Republic", the statement reads.

NDU Members Resign From Parliament Over Murder Vote

NC1912211894 Yerevan NOYAN TAPAN in English 1547 GMT 19 Dec 94

[FBIS Transcribed Text] 19/12/94 (NOYAN TAPAN)—On December 19 the Armenian Supreme Council started its work with delay for the absence of quorum. Before the start of the sitting, the deputies honoured the memory of one of the members of the "Karabakh" Committee, deputy of the Yerevan City Council, ex-Mayor of Yerevan Hambartsum Galustyan murdered on December 17. Then the Armenian Supreme Council began its emergency session, at which a motion favoured by 11 deputies was passed. The motion was to put the issue, concerning measures aimed against violence and terrorism in Armenia on the agenda of the session.

It was suggested to invite Levon Ter-Petrosyan to appear with the speech in connection with the murder. However, President refused from this suggestion, explaining that his speech may influence the course of investigation that is being conducted. 93 deputies favoured this suggestion, 9 voted against and 30 refrained from the voting. The suggestion was turned down.

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The voting on the proposal to invite the Armenian Attorney-General and listen to his account on steps taken by the investigating group in connection with murder of Galustyan was postponed.

Protesting against this the two members of the "Karabakh" Committee, members of the National Democratic Union [NDU]—Vazgen Manukyan the Armenian Supreme Council's deputy and Davit Vardanyan, the member of Presidium of the Armenian Parliament and the Chairman of the Parliamentary Permanent Commission on Foreign Relations resigned from their deputy authority and walked out of the sitting hall. Vardanyan also resigned from the post of the member of Parliament's Presidium.

The proposal by the Armenian Parliament Chairman Babken Araktsyan, who was presiding over the session, to continue the discussion of the Election Bill caused dissatisfaction among the deputies, particularly among the members of ARF "Dashnaktsutyun" parliamentary faction.

It was decided to adjourn the sitting and hold joint consultations of parliamentary factions and deputy groups.

After the interval, Babken Araktsyan announced the sitting closed for the lack of the quorum, however, the majority of deputies stayed in the sitting hall. After this one of the leaders of the National Democratic Union Shavarsh Kocharyian on behalf of the rest members of NDU's parliamentary faction announced about their resignation as deputies of the Armenian Supreme Council.

Levon Khachaturyan Appointed Trade Minister

NC1612195594 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 16 Dec 94

[FBIS Translated Text] Levon Manuki Khachaturyan has been appointed Armenian Republic's Trade Minister by a decree signed today by the Armenian president.

Cabinet Visits Nuclear Plant To Observe Repair Work

NC1612210494 Yerevan Radio Yerevan International Service in Armenian 1615 GMT 16 Dec 94

[FBIS Translated Text] An extraordinary session of the Council of Ministers Presidium was held yesterday at Metsamor under Prime Minister Hrand Bagratyan.

The Council of Ministers press service reported that before the session the prime minister, Deputy Prime Minister Vigen Chitechyan, State Minister Sepuh Tashjyan, and senior presidential adviser Zhirair Liparityan visited the production sections of the nuclear plant and familiarized themselves with the progress of the repair work.

The Council of Ministers Presidium decided to lift the customs duties on the imported technical materials for the nuclear plant.

It also created a state commission to undertake the commissioning of the nuclear plant's second energyblock and appointed its members.

Prime Minister Hrand Bagratyan noted the positive work done by the nuclear plant's collective, adding that no effort should be spared to ensure the recommissioning of the plant on schedule.

Georgia

Shevardnadze, CSCE Mission Chief Discuss Current Issues

LD1912165294 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 19 Dec 94

[FBIS Translated Text] Georgian Head of State Eduard Shevardnadze met Hans Jorgen Eiff, head of the CSCE mission in Georgia, today. The conversation dealt with the work done by the mission as well as current events in Georgia and the world.

It was indicated that the CSCE mission actively participates in the process of settling the Georgian-Ossetian conflict. Settling the conflict is of immediate interest not only for the parties involved but also for the Russian Federation. This can be regarded as a guarantee for finding a positive solution to the problem. The return of refugees to their domicile is the most significant task at the moment and both sides are concerned with effectual handling of the problem.

The CSCE mission, along with Georgian colleagues, is actively participating in drafting the Georgian constitution.

The meeting also pointed out that developments in Georgia will greatly depend on how the problems in south Russia are settled. This is very significant not only for Russia but also for Georgia and the whole world. Should Russia fail to settle the problems, they may become the beginning of its disintegration.

Patsatsia Meets UN Envoy, Discusses Humanitarian Aid

LD1912164794 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 19 Dec 94

[FBIS Translated Excerpt] Prime Minister Otar Patsatsia today held a meeting with Teodor Starcevic, the head of the UN mission to Georgia, and discussed the humanitarian aid to reach Georgia under the UN auspices this year. According to Starcevic, the draft aid must be worked out in close coordination with the republic's government. A group of the UN representatives will arrive in Georgia in January, study the situation at the scene and define the size of the humanitarian aid. It is important that the UN representatives, humanitarian

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organizations and the Georgian government draw up a list of demands beforehand. [passage omitted]

No Financial Aid From EU in 1995 Unless Debts Repaid

LD1912171494 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 19 Dec 94

[FBIS Translated Excerpt] The first meeting of the joint EU [European Union] and Georgian committee was held in Brussels on 15 December. The committee was founded at the initiative of the EU, with the aim of developing extensive and comprehensive relations with Georgia. The Russian Federation and the Republic of Georgia are the only two former Soviet republics with which the EU has set committees like this. The committee will hold its meetings on a regular basis alternatively in Brussels and Tbilisi.

The European Union handed over for consideration an agreement reached between the European Union and the USSR in 1989. The Georgian delegation demonstrated discrepancies between the text of the agreement and the present circumstances, and demanded that negotiations be started between the two parties to work up a comprehensive agreement on cooperation between the EU and Georgia. [passage omitted]

It will be difficult for the European Union to continue to allocate humanitarian aid in 1995 in the form applied at present, when the allocated money is used for purchasing foodstuffs and fuel. The form of the aid should be altered. The resources allocated by the EU should be used for restoring and developing appropriate industries.

Special attention was attached to loans. The EU representatives said that their offices did not practice deferment of payment or granting of privileges. To render credits they themselves have to get loans in various banks and they have to secure timely repayment of the loans. Hence, they believe that we cannot expect a positive answer to the letter Mr. Shevardnadze sent to Mr. Delors on 3 November. The European Commission demands that the interest on the loan be paid off. [passage omitted]

Vice Premier Receives Turkmen Economic Delegation

LD1912210894 Tbilisi SAKINFORM in Russian 1855 GMT 19 Dec 94

[FBIS Translated Text] Georgian Vice Premier Zurab Kervalishvili has received a delegation from Turkmenistan, which included heads of ministries and departments of the republic. They are familiarizing themselves with the production with which Georgia is planning to pay for natural gas supplies from Turkmenistan using the method of clearing. The total sum which Georgia must pay Turkmenistan before yearend of this year for the resumption of gas supplies in December is $1 million through transferring and $10 million through clearing.

Shevardnadze Weekly Interview

LD1912143594 Tbilisi Radio Tbilisi Network in Georgian 0626 GMT 19 Dec 94

[Interview with Georgian State Council Chairman Eduard Shevardnadze by Nato Oniani in Tbilisi—live]

[FBIS Translated Excerpt] [Oniani] Good morning, we present a radio interview with the chairman of the Georgian parliament and head of state, Mr. Eduard Shevardnadze.

In line with the tradition of the past three months, could we please start by discussing economic problems. Last week was very important in this respect. For the first time, the World Bank and the International Monetary Fund has given Georgia substantial assistance by opening a 40-million-dollar account.

[Shevardnadze] This was indeed the most important event last week. As you said, the IMF board of directors in Washington decided on 14 December to release the first tranche of a system-transformation loan for Georgia. This recognizes Georgia's achievements in the implementation of measures aimed at financial stabilization and system transformation envisaged in the anti-crisis program approved by the head of state's decree of 7 February 1994. As you know, this program has been endorsed by the World Bank and the IMF.

I already said the day before yesterday that for the international and European financial organizations and structures as well as for big business this would mean a great incentive to develop economic and financial ties with Georgia. This is the start of something big.

Last week's economic developments were also dominated by the start of a debate on the draft republican budget for 1995. The Ministry of Finance presented me with detailed information on this issue and heard my instructions specifically aimed at improving budgetary mechanisms and [word indistinct] in the republic. All this will be reflected in a decree which I have asked to be prepared. This will be a decree that will help mobilize our society and state structures for the struggle to fulfill the budget. [passage omitted]

The flotation of state enterprises and associations is proceeding quite briskly. A trading and industrial association Sakartvelo which is to provide services to passengers was founded on 5 December. Its authorized fund is 300,000 dollars. A joint-stock society with an authorized fund of 1.2 million dollars—the Tbilisi transport and trade association - has been established at the Saknavtobproduktebi [Georgian petroleum products] state concern. This was also an important structural change.

By 15 December, 430 joint-stock societies had been registered, including 190 enterprises under the Ministry of Industry. I would like to warn the Ministry of Industry again that although new owners are emerging as the

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process of flotation develops, this does not in any way relieve the Ministry of Industry of its responsibility for the normal running of these organizations and enterprises. In addition to that, 45 enterprises under the Architecture and Construction Committee have also been floated, as have up to 25 enterprises under the Ministry for Trade and Material Resources, 30 transport ministry enterprises, and so on. Thus, in general, the process is developing along the lines approved by parliament. [passage omitted]

I would also like to mention another problem: the need to step up oil exploration work. I have said in my previous addresses that relative order has been established at the oil wells and bulk plants. In this connection, I would again like to note the active work of officials in the relevant regions.

[Oniani] There are new prospects: the arrival in Kolkheti, more precisely, in Supsa rayon, of a large oil-prospecting firm from England. I think that they will start drilling this week. I have met them more than once, and there are good and promising forecasts. But the main thing now is to speed up work, make it more dynamic and achieve results as soon as possible.

[Oniani] Chechnya has again been the center of international attention recently. It is very interesting that last week almost all large states and politicians of any significance expressed support for Russia's territorial integrity. There were several statements from you as well. It should also be noted that, for example, Kozyrev described what is happening there as armed separatism.

Last week [Abkhaz President Vladislav] Ardzinba alleged that the Georgian side was preparing for war. The chief of the CIS coordinating military headquarters, Boris Pyankov, refuted these claims.

There was also a statement from the National Liberation Front criticizing the authorities for their policies that had brought Russian peacekeeping forces to Georgia. The statement's authors describe this as peacekeeping clownery. They want to take advantage of the current political situation and act in line with parliament's statement earlier this month saying that Georgia reserves a legal and moral right to use any means to restore its territorial integrity. According to the statement's authors, Russia has given us an excellent example of this. What would you say in this connection?

[Shevardnadze] I have already expressed my opinion about the events in Chechnya several times. I repeat that Russia will proceed from its supreme state interests as required by its Constitution. And I believe that there are grounds for Foreign Minister Kozyrev's statement and assessment. It was a fair and serious assessment. Such an approach on the part of the Russian leadership should be met with full understanding. It is important that tangible steps have started being taken against aggressive separatism. As regards forms of action, this should be decided by the Russian authorities themselves. Of course, I deeply regret that hostilities lead to casualties.

You already mentioned General Pyankov's visit to Georgia, including Abkhazia. Our public as well as everybody who receives information from Russian television programs became convinced that Gudauta's demarche urging preparation for a Georgian invasion was a bluff and rumor.

What Mr. Tengiz Kitovani and like-minded people are saying is also a bluff. Such activity has no sense and will produce no results. This seems to me to be nothing other than empty threats. I do not know what they think, but I know very well from my own experience how much they can do and what they managed to achieve at the time when all reins were in their hands. Empty statements are not enough to follow others' example, as they are urging us to do. The less demagoguery there is—and fewer empty words and phrases like this—the better it would be for the country and for achieving our ultimate goals. [passage omitted]

I believe that whatever action is taken in Abkhazia, be it peaceful or any other, it must be decided at the state level. We have already passed the stage of assembling volunteers and weapons and have grown out of this. We all saw very well the consequences of semiguerrilla, semiofficial, and poorly organized campaigns.

[Oniani) Vakhtang Kobalia has gone on a hunger strike demanding just one thing: a meeting with you. He says he has special information of state importance which he will only impart to you. The procurator-general, Mr. Jamlet Babilashvili, issued a statement in this connection, repeating that there had been similar demands from Kobalia in the past. What will be the head of state's decision?

[Shevardnadze] I know that Kobalia has gone on hunger strike demanding a meeting with me. This question is being considered now. Consultations are under way with the procurator-general, investigation bodies and lawyers. In the end, we will be guided by state and humane principles. Let us see.

[Oniani] A very important event took place in Georgia last week: the opening of the European Union's embassy. It should be noted that it is the second EU embassy on the territory of the former Soviet Union, the first one being in Ukraine. Apart from economic aid that the ambassador has promised Georgia at a meeting with you, he also said that the EU would soon have a completely new approach to the countries of Eastern Europe. He said that it would be a turning point for the EU, and that Georgia's place in this new structure should be determined.

[Shevardnadze] As you said, the appointment of a EU ambassador to Georgia is a very important event. It is a further step in developing our international political and economic relations. Mr. Ambassador said that it is the

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second [EU] embassy in the republics of the former Soviet Union, as you said, after Ukraine. Generally speaking, this cooperation has a great future. I think that what was said, that the EU pays more attention to Georgia and its problems, was not just nice words. There was also a discussion about determining Georgia's place under the conditions of new order and a new balance of forces. In that respect, what happened is very important. But at the same time, when talking about great prospects and substantial aid in the future, we must remember that we also have obligations to the EU which we have taken on, and these obligations must be clearly met. We must learn to keep our word.

[Oniani] You had a meeting with the leadership and employees of the Security Service last week. Many painful questions were discussed there such as terrorism, corruption, racketeering, and so on. The head of the Security Service, Mr. Igor Giorgadze, spoke about very serious incidents concerning a deputy premier involved in arms smuggling, a deputy possessing 300 tonnes of explosives, a manager who has killed two people in a restaurant with a machine-gun and so on and so forth. These incidents will probably be attended to and investigated. I would like to quote what you told the meeting of security officials. You said that we talk endlessly about irregularities concerning the credits but there are still no concrete results; those who are guilty have not been punished, no specific names have been given and, therefore, too many people are under suspicion.

[Shevardnadze] I attach great importance to measures taken in the past two years. Firstly, this applies to the building of the state. What has happened in the security institutions in the past year is very impressive and promising.

The incidents which were discussed yesterday require further investigation until a certain conclusion is reached. This work will be carried out. The investigation of the case concerning the credits should also be stepped up, broadened, and completed in the next few months in order to provide the public with adequate information.

The head of state will have similar meetings with personnel of the Ministry of Internal Affairs and the Procurator's Office. A little later, there will be a meeting with representatives of the Defense Ministry's main structures. There has been one such meeting, but it was more of a local nature. I believe that the public should get a clearer impression of the process of building armed forces, and that is why such a meeting would be necessary, I repeat, a little later. More attention should be given to the activity of the Justice Ministry and other law-enforcement bodies. This work should be completed before 15 or 20 January next year. By 20 January we will examine the state of law and order in the country, taking into account the lessons of this year, and will naturally set ourselves new tasks for a new stage.

We became convinced yesterday and the day before yesterday that we already have a real force to establish order—a more reliable, better organized, united and well-trained force to solve new tasks.

I work intensively with the so called power ministries. We are trying to build the foundation to protect every citizen from violence, regardless of where such a threat comes from. [passage omitted]

Shevardnadze: Russia Should Defend Interests in Chechnya

LD1812152894 Moscow ITAR-TASS in English 1505 GMT 18 Dec 94

[By ITAR-TASS correspondent Tengiz Pachkoria]

[FBIS Transcribed Text] Tbilisi December 18 TASS—Russia should defend its state interests and territorial integrity in Chechnya, Georgian leader Eduard Shevardnadze said.

Speaking at a meeting of Georgian Security Service leaders in Tbilisi on Sunday [18 December], Shevardnadze said that if aggressive separatism is not curbed in Chechnya, it may cause the Russian state to disintegrate and have a negative impact on the international situation.

"Georgia is interested in the preservation of an integral and stable Russia," he said.

Shevardnadze Tightens Control Along Chechen Border

LD1912120694 Tbilisi IBERIA in Georgian 1135 GMT 19 Dec 94

[FBIS Translated Text] Tbilisi. 19 Dec.—Georgian Head of State Eduard Shevardnadze instructed the Georgian Security Service and the Interior and Defense Ministries to tighten control along the country's border because according to existing information it is not ruled that armed units will cross the border from Chechnya to make Georgia a transit passage for smuggling arms and ammunition to Chechnya.

Defense Minister Says Chechen Conflict Could Spread

LD1912121394 Tbilisi IBERIA in Georgian 1135 GMT 19 Dec 94

[FBIS Translated Text] Tbilisi, 19 Dec— Georgian Defense Minister Vardiko Nadibaidze has said that he does not rule out the expansion of armed confrontation beyond Chechnya's boundaries. Speaking about Georgia's stance with regard to the conflict, he said that Georgia does not interfere in Russia's internal affairs.

Adyghe Volunteers Off to Chechnya To Fight for Dudayev

LD1612154394 Tbilisi IBERIA in Georgian 1400 GMT 16 Dec 94

[FBIS Translated Text] Sukhumi, 16 Dec—Twenty-five Adyghe volunteers, who previously fought on the

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Abkhaz side and were trained at the Abkhazian military camps, have now been sent to Chechnya to fight on Dzhokhar Dudayev's side. This information was disseminated by the headquarters of the confederation of the mountainous peoples of the Caucasus stationed in Sukhumi.

Abkhazia Unable To Send More Men To Aid Chechnya

LD1612194494 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 16 Dec 94

[FBIS Translated Excerpt] According to CONTACT INFORMATION AGENCY, the Abkhaz media have repeatedly reported over the past few days that the Abkhaz authorities are unable to send additional men to Chechnya to help Dzhokhar Dudayev. Sukhumi Radio states that the reason for this is the alleged concentration of Georgian Armed Forces near the Inguri River and the mobilization of the local population in Zugdidi Rayon. [passage omitted] The Abkhaz authorities are trying to convey a message to their friend Dzhokhar Dudayev that they are unable to render additional help to him, which would create hysteria in relations with Georgians and Georgia and divert the attention of the Abkhaz population from the problems they are facing. It seems that during his latest visit to Moscow, Ardzinba was told to stop assisting Dudayev. [passage omitted]

It must be noted that according to reports by Sukhumi Radio, the separatists have taken a decision to halt for a month the return of refugees to Gali Rayon. The occasion is the same—the alleged concentration of the Georgian Armed Forces near the Inguri River and the mobilization of the local population.

Abkhazia for CIS Participation in Russian Peace Forces

LD1612213694 Moscow INTERFAX in English 1923 GMT 16 Dec 94

[FBIS Transcribed Text] Sukhumi, Dec 16 (INTERFAX)—The first deputy chief of the staff for coordination of military cooperation between CIS states, Colonel General Boris Pyankov, has proposed the Abkhaz authorities consider the possibility of involving the military contingents of other CIS in the Russian peacekeeping mission in the area of the Georgian-Abkhaz conflict.

Pyankov told Abkhaz Parliamentary Speaker Sokrat Dzhindzholiya in Sukhumi Friday that "the leaders of a number of CIS republics are ready to send their military contingents to Abkhazia."

For his part, Dzhindzholiya said that the Abkhaz leadership welcomed Pyankov's proposal.

A delegation of the staff headed by Pyankov is expected to discuss the changes in the composition of the peacekeeping forces in Abkhazia with the Georgian leadership in Tbilisi.

Reaction to Abkhaz Separatists' Declaration

MK1712114094 Moscow NEZAVISIMAYA GAZETA in Russian 17 Dec 94 p 2

[Report by Nodar Broladze under the "Georgia" rubric: "Abkhazia Is Not Threatened by Anyone. National Liberation Front of Georgia Accuses Shevardnadze"]

[FBIS Translated Text] A report saying that the leaders of the Abkhaz separatist group "have put their armed forces in full combat readiness owing to an expected military threat from the Republic of Georgia" has elicited a statement from Tbilisi. "Assessing the dissemination of such nonsensical rumors as a crude and deliberate provocation," the press service of the head of state declared that "any military threat is out of the question because the Republic of Georgia, as has been repeatedly stressed in Eduard Shevardnadze's addresses, remains committed to the course of settling the conflict in a political, peaceful way."

The press service declares that "such a hastily thought-up slanderous version should be viewed as a deliberate twisting of facts since full combat readiness in Abkhazia was announced in connection with the developments in Chechnya rather than because of nonexistent threats from Inguri."

On 15 December the Georgian leader's press service adopted one more statement which this time around condemns an appeal issued by the National Liberation Front of Georgia Central Council [NLFGCC]. The NLFGCC issued an appeal to the population and the country's authorities urging them "to take advantage of the extremely propitious moment connected with the political developments." Otherwise "Georgia would inevitably find itself drawn into a Caucasus war albeit on patently losing terms. And we would then lose Abkhazia once and for all," the appeal says. It also stresses that "the authorities of Georgia have taken the mistaken position of launching a political campaign for a peaceful settlement of the Abkhaz crisis, whereas in reality they have embarked on the road of ignoring the country's vital interests." The NLFGCC also declares that "this course has invited to Georgia Russian peacekeeping forces which have failed to secure the return of refugees, whereas instead a border-demarcation line along the Inguri River has been created." Asserting that the "peacekeeping foolishness has ended in a flop," the authors of the above document call for imparting the nature of an official decision to the statement discussed at the December sitting of parliament which says that Georgia reserves the legal and moral right to restore its territorial integrity through any means.

Russian General Denies Georgians Concentrating Forces

LD1912195994 Tbilisi SAKINFORM in Russian 1730 GMT 19 Dec 94

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[FBIS Translated Text] "To all appearances, peacekeeping forces in the Georgian-Abkhaz conflict zone will have to remain much longer," Colonel General Boris Pyankov, the first deputy head of the coordinating headquarters for the military cooperation between the CIS states, said. He led the delegation of senior officers of the above headquarters on a visit to Tbilisi, Sukhumi, and the conflict zone in order to study a package of issues connected with peacekeeping operations in Abkhazia. According to him, in particular, they studied the possibility of the participation of the peacekeeping contingent from other states of the CIS alongside Russians in peacekeeping operations. Colonel General Pyankov refuted the claims of the Abkhaz side about the alleged preparation by Georgian troops for the resumption of combat actions on Abkhaz territory. "I have not seen any signs of the Georgian side concentrating its forces along the confrontation line. Apparently somebody desires to wreck the peacekeeping process," he said. Pyankov said the return of the refugees remains to be the most pressing issue for the time being.

Defense Chief Refutes Aggression Allegations

LD1912203494 Tbilisi SAKINFORM in Russian 1855 GMT 19 Dec 94

[FBIS Translated Text] Georgian Defense Minister Vardiko Nadibaidze has categorically refuted statements made by the Abkhaz side about alleged planned aggression of the Georgian armed forces against the current Abkhaz leadership. There is no concentration of Georgian troops along the confrontation line, but only a scheduled training. He said that the command of the Russian peacekeeping forces and moreover, the Abkhaz side, can visit the areas of troop deployment to make certain for themselves.

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Estonia

Foreign Minister Outlines Policy Goals

WS2012103094 Tallinn Ministry of Foreign Affairs Press Release in English 1422 GMT 19 Dec 94

["Text" of speech by Foreign Minister Juri Luik to the Riigikogu in Tallinn on 13 December]

[FBIS Transcribed Text] Honoured Chairman of the Riigikogu [parliament], Honoured members of the Riigikogu, Honoured members of the diplomatic corps,

Allow me in my address today to summarize this year's accomplishments and to set our goals for the future. I believe that continuity in Estonia's foreign policy will be a beneficial inevitability for any Estonian Government. Our options are limited. And therefore it is all the more important that we make use of the options we have in a professional manner. I would emphasize above all Estonia's notable prestige and positive image abroad, which indisputably is a pillar in the foundation of Estonia's security. I would also emphasize our clear and steady identification with Western countries, which binds them to us with an unwritten and written duty to protect Estonia's security. Isolationism, "naval gazing", for a large country might be a serious alternative, but for Estonia it is simply not an option.

A successful Estonian foreign policy is the best guarantee for Estonia's security. It is up to our foreign policy to avoid situations through which Estonia's small land area and population, its budding military and limited financial resources would become blatantly evident. Estonia's foreign policy must be a policy of crisis prevention from the very beginning, a foreign policy which allows us to find new friends and neutralize potential enemies.

When I spoke before you on February 17, I told you that priority Number One for Estonia's foreign policy was the withdrawal of foreign troops.

Today I am able to tell you that this goal has been achieved. There are no more Russian military units in Estonia.

We are all aware that many problems remain with the withdrawal of the troops—from the fact that some of the troops were simply demobilized on the spot to the need to begin a thorough clean up of the environment. These problems need to be dealt with, and we have advised the world that they exist, both in bilateral discussions and within international organisations. Just last week the Latvian Prime Minister, Maris Gailis, raised these unresolved issues on behalf of the three Baltic states in his speech before the United Nations.

Russia has promised Estonia's representatives that the issue of locally demobilized officers will be resolved to our satisfaction. We of course can only be satisfied if the officers who were demobilized in violation of the treaty return to Russia. Russia must also, as per the treaty concluded between the presidents, be prepared to accept those retired military personnel to whom Estonia is not prepared to issue a residence permit.

But even considering these difficulties, we can acknowledge that the withdrawal of Russian troops from Estonia has had a significant impact, and has brought our relations closer to normalization. The decommissioning of the nuclear reactors at Paldiski serves as an example of how complicated issues can be resolved effectively. The withdrawal of troops is also the first step toward guaranteeing security in the Baltic region as a whole. Yet the Baltic states' security problems are far from solved.

At the moment both Estonia and Russia have the opportunity to improve relations. This opportunity is within reach and it is our duty to seize it. This policy could be called a policy of positive engagement, which among other factors would include a mutual respect for the other's sovereignty and national security interests, a mutual avoidance of verbal and other confrontation and mutual respect for international norms and practice.

The key word here is mutual. We can only speak of a mutual reconciliation. Russia cannot be granted special rights due to its size, not militarily, not in political discussions nor in the sphere of human rights.

On this last issue it would seem that my Russian colleague Andrey Kozyrev and I fully agree. Last Thursday [8 December] in Moscow, he, too, made similar comments stating that we cannot have different human rights standards for different countries. Human rights are not an internal issue for any state, and I call on my colleague

Mr. Kozyrev to open the doors of his country, like Estonia has, to United Nations, CSCE and Council of Europe experts, and to allow them full access to Russia's state authorities and agencies. Estonia has benefited from the visits and recommendations of various representatives of international organisations and I can only recommend Estonia's recipe to Russia—in order that international organisations could also report that human rights are not violated in Russia.

On the issue of the Estonian-Russian border, I can but reaffirm the words of our Prime Minister: Estonia has been and is prepared to take serious steps to find a quick resolution to this issue. For us, the most important aspect is for Russia to recognize the Tartu Peace Treaty as a valid document. As far as territorial issues are concerned, we can consider flexible solutions, but these require serious, high level contacts between our two countries.

We are prepared to devote a significant amount of energy to improving our historically complicated relations, to help Russia become a part of Europe and grow closer to the Council of Europe, at a time when we ourselves are moving toward integration with Europe. This policy of positive engagement is not only in our

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interests. It is in Russia's interests, in the region's interests and in the security interests of the whole of Europe. I believe that the politicians in Moscow and the West will support this idea, just like the idea of Russia adapting its customs policies to GATT regulations, as strongly as they recently supported the troop withdrawal.

At the same time, however, if our efforts are met with indifference, or worse, are ignored, we are prepared to actively defend our national interests. Our relations with Russia must be counterbalanced with our goods relations with various European structures.

In February, I said that one of our main tasks for integration is to move towards the European Union, which by next year will account for 60 per cent of our foreign trade. This movement must occur in economics, politics and ideals. We have made significant progress, having concluded a free trade agreement last summer in Brussels. This is consistent with our policy of "trade, not aid" and I wish to thank you, distinguished members of the Riigikogu, for unanimously ratifying this treaty. No other gesture could have displayed our devotion to Europe more clearly.

Political dialogue with the European Union, which I set as a goal last February, has also become more active. The final document adopted at the summit last weekend in Essen reflects our goals, by affirming that all countries which have concluded association or Europe agreements will be fully involved in the strategy for European Union expansion. We were successful in ensuring that the document was worded in a manner favourable to Estonia, I quote: "The European Council requests the Commission and the Council to do everything necessary to ensure that Europe Agreements can be concluded with the Baltic States and Slovenia under the French Presidency, so that these States can be included in the accession preparation strategy."

On Thursday I will have a meeting in Brussels with Sir Leon Brittan, who is the European Union Commissioner responsible for external affairs in Brussels, to agree to a schedule for negotiations for our Europe agreement at a political level.

If we for a moment consider just how quickly our relations with the European Union have developed in the past ten months, it's breathtaking. Just last February I spoke of initiating negotiations for a free trade agreement, and today I already speak of the first round of talks for a Europe agreement. Based on this, I believe, as I also believed in February, that Estonia's joining the European Union before the end of this century is by no means a utopian dream. We stand now behind the same starting line as other Central European states and it is up to all of us whether or not we are able to maintain Estonia's economic indicators and political culture at the same level with other developed Central European countries.

On the issue of security, we cannot ignore NATO, which for almost 50 years provided peace on the European continent, nor the WEU [Western European Union], which as the European Union's defense organisation forms NATO's European foundation.

Estonia has repeatedly affirmed its desire to become a member of both NATO and the WEU, and it is in this context that I welcome the decision of the NATO Council on December 1 to begin drafting a concrete program for NATO expansion. PFP [Partnership for Peace] is a concrete framework for the initiation of practical integration with NATO's political and military structures. Estonia understands that the level of our Defense Forces must be considerably raised to enable unification with NATO, but our political will is steadfast, and we intend to use all the opportunities offered by PFP to quickly bring our Defense Forces and military planning in line with NATO standards.

Our gaining associated partner status with the WEU has brought us considerably closer to this organisation. Together with our partners in fate from other Central European countries we have been let into the smaller circle of WEU nations which includes only those states which are either members of the European Union, member of NATO or will soon be joining the European Union.

We must of course bear in mind that a rapid and far reaching expansion of NATO or the WEU is not currently on the agenda. But we must also consider that an expansion of NATO which would include some Central European countries while clearly excluding others would not only prove, but stress the very thing the expansion of NATO should avoid—the emergence of an instable, security gray zone, which could be considered by some to be "up for grabs". In this context I would emphasize as positive the meeting on December 3 in Brussels between representatives of 11 Central European states and U.S. Secretary of State Warren Christopher, in which Estonia also participated. These are the states with which NATO will in the future initiate negotiations for expansion.

Just as our restored statehood has reduced the need to raise our vital issues before international organisations, our ability to contribute to other issues which are of importance to the international community has grown.

The role of these organisations has been vital in enabling us to refute Russia's accusations of alleged human rights violations. It is clear that the human rights control mechanisms within these organisations have passed a great test, having repudiated allegations of human rights violations in spite of considerable political pressure. Estonia is convinced that they could be involved as actively as they have been in Estonia in other CSCE member countries as well. Estonia is prepared to contribute in all ways possible to make cooperation between various organisations more effective, to reach the point where one another's expert opinions are respected and are used to engage the influential measures various international organisations have to offer. Estonia has taken measures and continues with its efforts to draft an

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effective pre-accession strategy within the Council of Europe for Russia's acceptance, establishing the irreversibility of democratic processes as a criterium.

Estonia's success in integrating into the international community would scarcely have been as great if we were without the strong support of our close neighbours, support which has increased even more with Finland's and Sweden's inclusion in the European Union.

Sweden has been one of Estonia's most active supporters. Former Prime Minister Carl Bildt devoted a great amount of attention to events on our side of the Baltic Sea, and his personal interest has earned our deepest gratitude. At the same time, I am pleased to note that the new Swedish government has actively continued these policies— it should be remembered that Sweden's social democratic government was the first to open an embassy in Tallinn. For these reasons I am convinced that contacts between Stockholm and Tallinn will continue to develop on the path forged since August of 1991. Just two months ago, the Swedish Foreign Minister visited Tallinn, and this coming Friday I have the honour to visit her in Stockholm.

On the issue of visits, I am pleased to inform the Riigikogu, that on Friday Prime Minister Andres Tarand will visit his colleague in Finland. As the country of our kinsmen and our greatest trade partner at 42 percent of our total trade volume, Finland in the past years has been of decisive importance for Estonia and the Estonian people. We will need Finland's support in the future as well, if for no other purpose than to follow our northern neighbour into the European Union.

Within the European Union, we have for a long time had a strong supporter in Denmark. Denmark has truly served as one of Estonia's greatest sponsors in both the European Union and NATO. Here it is also worthy to note that Denmark concluded its first postwar agreements with the Republic of Estonia already in the spring of 1991. Relations with Denmark need to be strengthened and deepened further such that they will be at the same level as our relations with Sweden and Finland.

We also have the goal of strengthening relations with Poland. In a few months, we will open an embassy in Warsaw, to ensure that our friendly cooperation continues. We must continue to pay a significant amount of attention to Poland as one of Europe's largest countries and an influential partner in cooperation with the European Union, NATO and with our eastern neighbours, foremost with Ukraine.

We of course cannot forget our relations with out two Baltic neighbours Latvia and Lithuania. Although these relations may often seem natural, it should be remembered that in spite of our geographic proximity, we are separated from one another through different religions, language and history. It is therefore important that we build our relations through steadfast and patient efforts. We share common interests in security, integration with Europe and many other issues. The newly formed Baltic Council of Ministers should create a solid structure for future cooperation.

As for our allies in the European Union, as I just have with the Danish example, we should keep in mind Germany's important role in our integration. It is Germany which has led the Baltic carriage which is moving at what I earlier referred to as a breathtaking speed. During Germany's presidency we signed a free trade agreement with the European Union and reached the stage where we can begin negotiations for a Europe Agreement.

The German government has also provided a great amount of practical assistance. All we need is to look at but some of the different aspects of Estonian society to be convinced: German assistance can be seen everywhere, from the Estonian kroon and the structure of the privatization agency to language training in Narva.

France will be next to assume the presidency of the European Union, and in this context it is important that Estonian-French relations continue to grow. Just recently delegations from France's senate and the French Foreign Ministry made visits to Estonia, in order to develop the contacts between us. Meetings between myself and French Foreign Minister Alain Juppe and Minister for European Affairs Alain Lamassoure have been scheduled for mid-January. During these meetings we plan to discuss how the status of the Baltic states can be fully equalized with those states which currently have Europe Agreements, during France's presidency.

On the issue of integration, we must emphasize the United States' significant and decisive role in the restoration of Estonia's independence and our reintegration with the international community. The United States, from the time in 1917 when President Woodrow Wilson declared the right of all peoples to self determination, has given us the greatest amount of support among the great powers. As I noted in February, this support is surely greater than the visible tip of the foreign policy iceberg may at first indicate. Let us remember the active efforts by both houses of the U.S. Congress on the issue of the troop withdrawal, where for example the actions of Senators Byrd and Pressler forced U.S. public opinion to acknowledge the darker side of Russian foreign policy.

Estonia is interested in achieving a stable position in United States' foreign policy which would provide us with a certain amount of confidence in other international relations as well. Estonia considers the United States' close involvement in European security to be of great importance.

In looking toward the east, we have seen that it is time to exert greater effort to develop and strengthen relations with those countries which are known as CIS member states.

The CIS cannot adopt characteristics which it does not have to become a bona fide international organisation

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such as NATO or the European Union. As one Western diplomat has said, "these states have nothing in common, they are not wealthy, they have differing degrees of independence and some are not even really states." The essence of this saying is that we should consider these states as separate units, as they in actual fact are.

If we proceed from this idea, the time has come to speak of sovereignty reinforcement. Here I refer to assisting those states in strengthening their sovereignty, to achieve greater security through a balance in interstate relations. We have much work ahead in this area. Ukraine is a particular priority in this regard. Thanks to its geographic location, historical heritage, population and political and cultural environment, Ukraine is fundamentally a European country. And, what is more, a stable and secure Ukraine is an indivisible part of a stable and secure Europe. This has been the reasoning behind our recent efforts to strengthen ties with Kiev, such as the consultations provided to the central bank and government of Ukraine by Estonian government adviser Ardo Hansson.

We are also closely following events in Moldova and fully support the rapid, orderly and complete withdrawal of Russian troops from Moldova's territory. Kazahstan is another state with which we have expanded relations; our foreign ministry has sent its experts to help their foreign ministry establish a modern information system. We also hope to further develop relations with Belarus. Last summer our President visited Kazahstan, and just recently a visit was made to Belarus by a delegation from our foreign ministry, led by Deputy Secretary-General Raul Malk.

As a country of successful reform, a state which has been able to successfully contribute to international cooperation, Estonia can and does lend encouragement and experience to states which were once our partners in fate and whose secured sovereignty is vital to Estonia's security, as seen looking toward the east.

We all have to bear in mind the priority role and importance of foreign economic policy in the development of our country. We understand that security by far is not just a military issue, but is also based on economic vitality. For this reason, now that we have reached a new stage, we must concentrate more than ever on our economic interests, which in turn will influence the political situation.

In this regard, I would like to stress that not only economic but foreign policy aspects are important to foreign trade. The ideology of free trade identifies us more clearly than anything else with countries with a stable and functioning economy.

In developing economic ties, a primary role is played by interstate treaties for the mutual protection of investments, trade regimes and for the avoidance of double taxation. The Government has placed great importance on these areas and has had significant success.

To date treaties for the protection of investments have been concluded with 12 states and just as many are currently in the works.

Estonia has concluded trade agreements with 20 countries. With the majority, Estonia has achieved most favoured nation status, or, as with our most important trade partners, free trade agreements. Here we can note the Baltic free trade agreement and the free trade agreement between Estonia and the European Union which was just recently ratified. Treaties already in force are also under review and development. For example, this past December 9, an agreement was signed with Switzerland on concessions for Estonian agricultural products.

An ever more decisive role in the development of economic relations has been assumed not by bilateral cooperation between states but rather through growing multilateral cooperation for the creation and development of preferred economic areas. Estonia is dependent foremost on the development of the European Union integration process, but other regional integration processes play a significant role as well. Baltic cooperation, economic cooperation between the states of the Baltic Sea region and economic cooperation between the states of Central Europe, the so-called CEFTA [Central European Free Trade Association], are all important to us. In each of these regions, cooperation is in its early stages and requires that we actively defend our interests, in order to use cooperation to Estonia's advantage.

This past year Estonia also made a significant step towards joining GATT/WTO. For the first time an eye to eye meeting was held in Geneva at GATT headquarters with Estonia's working group. At the moment, it is too early to predict a date for joining the WTO, but this may be as early as the end of next year.

We are rid of our fundamental problem, the foreign troops, and it is time that we show ourselves to be participants in the resolution of global issues. Here I mean phenomena such as the contraband of radioactive substances, terrorism, organised crime, the narcotics trade, weapons trade and environmental pollution. These issues know no borders and have now reached us. Despite our limited resources, combating these issues should be one of our priorities. I am not at all surprised that many of Estonia's ministries have direct contacts for the discussion of these issues. As foreign minister, I can only commend this, as this clearly strengthens our relations with the outside world.

On a separate note, I would like to emphasize that in spite of our small size, we must find the resources to allow our soldiers to participate in UN peacekeeping operations. I consider this to be our duty as a UN member state. I do not say this lightly. A state which is concerned with global issues is held in high esteem and considered significant. A state which is only concerned

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with its own problems may find itself in a situation where no one is interested in it, if it is not interested in anyone else.

Honoured members of parliament, I would conclude my overview and am prepared to answer your questions.

Baltic, Norwegian Defense Ministers Discuss Joining NATO

LD1612153994 Riga Radio Riga Network in Russian 1500 GMT 16 Dec 94

[FBIS Translated Text] The Baltic states have to work out their own democratic defense policy within the framework of the Partnership for Peace program. After that, each of them will be able to join NATO, Norway's Defense Minister Jorgen Kosmo said today. He is holding talks in Estonia today with the Baltic defense ministers. The Baltic states have to be prepared to bear the responsibility which stems from joining NATO.

Prime Minister Tarand Arrives in Finland

LD1612155994 Moscow ITAR-TASS in English 1541 GMT 16 Dec 94

[By ITAR-TASS correspondent Vladimir Mostovets]

[FBIS Transcribed Text] Helsinki December 16 TASS—Estonian Prime Minister Andres Tarand arrived in Finland on a one-day official visit on Friday [16 December].

During his visit, he will meet with Finnish Prime Minister Esko Aho and President Martti Ahtisaari.

The two sides will discuss relations between the two countries in the context of Finland joining the European Union and Baltic countries admission to European orgainisations, the Finnish Foreign Ministry reported.

Received by Finnish Premier

LD1612180694 Helsinki Suomen Yleisradio Network in Finnish 1530 GMT 16 Dec 94

[FBIS Translated Text] Estonia's new Prime Minister Andres Tarand, who took office at the beginning of November, is on a brief working visit to Finland. In the afternoon, Tarand met Finnish Prime Minister Esko Aho with whom he discussed, among other things, questions arising from Finnish EU [European Union] membership and Estonia's negotiations on an agreement with Europe. Markku Lehto reports:

[Lehto] New Estonian Prime Minister Andres Tarand's working visit to Helsinki was brief, but a good many questions were discussed during the afternoon. Tarand met Prime Minister Esko Aho in the early afternoon. In Brussels yesterday, Estonia and the other two Baltic States began talks on drafting a European agreement with the EU [European Union]. This agreement between Estonia and Brussels, which should eventually lead to EU membership will, according to Tarand, be ready by March at the earliest. The most prominent issues in the talks between Aho and Tarand concerned Finnish EU membership and the EU-related help that Finland might be able to offer Estonia.

The prime ministers also discussed security. Aho said that Finland, like Sweden, would in future take part in the work of the Western European Union, the security policy arm of the EU, as an observer. There is no desire to join NATO at this stage. Prime Minister Tarand on this:

[Begin Tarand recording] The Finns told us that there are no plans on their side to join NATO. It is often said in Estonia that we are directly on the way to joining NATO, and many politicians have said this, but I have stated today that in Estonia too this is still only a hope and we are unsure if it is expedient. It depends of course to a large extent on what happens in Russia. [end recording]

[Lehto] Prime Minister Tarand also agreed with Aho that Estonia would get help to clean up the Paldiski base [northern Estonia] left behind by the Russian military. Imatran Voima [power company] of Finland will provide the means to clean up the 600 tonnes of radioactive water remaining on the base site.

During his visit, Prime Minister Tarand also spoke in favor of visa-free travel between our two countries. Agreement may be reached on the issue during President Lennart Meri's state visit to Finland in the spring. Visa-free travel might then be achieved by the beginning of the following year.

Tarand was optimistic about the possibility of reaching agreement with Russia in the ongoing border dispute regarding eastern Estonia. Such an agreement would also help in the issue of visa-free travel, as Finland has set as a precondition for visa-free relations that Estonia reinforces its border with Russia.

Foreign Ministry Refutes Russian Protest of Chechnya Rally

LD1612173894 Tallinn Radio Tallinn Network in Estonian 1600 GMT 16 Dec 94

[FBIS Translated Text] The Estonian Foreign Ministry today replied to the Russian Embassy note from 14 December, which expressed protest against a rally in support of Chechnya. The Estonian Foreign Ministry refuted the protest by the Russian Embassy, which alleged that the rally represented interference in Russia's internal matters. The organizers of the rally exercised their constitutional right to assemble and express their views.

The Foreign Ministry stresses that as a democratic, law-governed country, Estonia does not restrict the constitutional rights of its citizens, providing the laws are strictly abided by—as was the case at the mentioned rally.

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Defense League Official Denies Soldiers Sent to Chechenya

WS1912112694 Tallinn BNS in English 1025 GMT 19 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 19, BNS—Neither the Defense League general staff nor the staff of the paramilitary organization's local divisions have sent any men to Chechenya, Defense League press officer Andres Reimer told BNS Saturday [17 December].

The Tallinn-based Russian-language newspaper ESTONIYA claimed on Saturday with reference to a Defense League official, Lembit Pold, that over 100 league members had gone to fight in Chechnya.

"I couldn't prevent them from going, the men who went there are my friends. They'll be given weapons when they get there," the newspaper quoted Pold as saying.

Pold said it wasn't because of money that the league members went to Chechenya. "They're not mercenaries," he told the paper.

Reimer said the ESTONIYA's story was nonsense, adding that Pold wasn't employed in the Defense League's 2nd department where the paper claimed he worked.

This wasn't the first report in the Estonian press of Estonians fighting in Chechenya.

The POST tabloid wrote Dec. 12 that five former members of the Laanemaa Voluntary Infantry Company had gone to Chechenya to fight against the invading Russians. Lembit Tons, a former instructor of the company, then declined to comment on the story.

A correspondent of the MOSCOW NEWS, reporting from Chechenya, described as far back as October "Estonian citizens" he allegedly saw in a camp of opponents of President Dzhokhar Dudayev.

According to the Russian INTERFAX news agency, Moscow's intelligence services are already on the lookout for mercenaries from the Baltic states fighting in Chechenya.

Tartu City Council Denies Offering Dudayev Asylum

WS1912100394 Tallinn ETA in English 1505 GMT 16 Dec 94

[FBIS Transcribed Text] Tartu city council has not offered the President of the Chechen Republic Dzhokhar Dudayev and his family an asylum in Tartu, the second biggest Estonian city, where Dudayev worked during the Soviet times, chairman of Tartu city council Ants Veetousme told ETA on Friday [16 December].

The ITAR-TASS news agency has stated that Dudayev had confirmed of the invitation by the Tartu city authorities that he would be received there in case of a danger. He thanked for such an invitation but said that he intended to be together with his family and his people until "a victorious end."

Premier's Views on Land Concessions to Russia

LD1712154894 Tallinn Radio Tallinn Network in Estonian 1500 GMT 17 Dec 94

[FBIS Translated Excerpt] Estonia is prepared to make territorial concessions to Russia, Premier Andres Tarand said in Helsinki yesterday. Tarand said that an agreement with Russia would allow Estonia to accelerate the process of joining the European Union.

Katrin Kaitsa, government press representative, told BNS today that this is Tarand's personal opinion and is not the position of the Government. [passage omitted]

Tarand: Recognition of Tartu Treaty 'Primary Condition'

WS1912112194 Tallinn BNS in English 1025 GMT 19 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 19, BNS—If Russia recognizes the Tartu Peace Treaty of 1920, Estonia is prepared to open negotiations over certain concessions on the disputed territories, Prime Minister Andres Tarand told BNS on Saturday [17 December].

"The primary condition for concluding a new border pact is that Russia again recognize the Tartu Peace Treaty as the international treaty under which the Estonian state was born," Tarand said. "The sooner a new border pact with Russia is concluded, the better for Estonia."

In Tarand's words, the possibility of a new border agreement between Estonia and Russia was under discussion at his meeting on Friday with Finnish President Martti Ahtisaari and Prime Minister Esko Aho.

An agreement with Russia would allow Estonia to press ahead with its plans to join the European Union, Tarand said.

The disputed territory concerns about 2,000 square kilometers of land in the region of Pechory and beyond the Narva River that belonged to Estonia under the 1920 Tartu Peace Treaty. After the Soviet Union annexed Estonia in 1940 the land was handed over to Russia's Pskov and Leningrad regions. After Estonia renewed its claims on the land, Russia began in August unilaterally marking down the border along the temporary control line.

Russian President Boris Yeltsin visited the disputed border last month and vowed Moscow would not give up "one single centimeter" of land.

1920 Tartu Treaty Not Recognized by Russia

LD1912193594 Tallinn Radio Tallinn Network in Estonian 1700 GMT 19 Dec 94

[FBIS Translated Text] Russia does not recognize and does not intend to recognize the 1920 Tartu peace treaty between Estonia and Russia. Aleksandr Udaltsov, deputy head of the Second European Division of the Russian Ministry of Foreign Affairs, told the Baltic News

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Service that the Tartu peace treaty could under no circumstances serve as a basis for Estonian-Russian border negotiations.

During his visit to Finland on 16 December, Estonian Premier Andres Tarand said Estonia is prepared to make concessions on border issues if Russia recognizes the 1920 Tartu peace treaty, in accordance with which Estonia is entitled to about 2,000 square kilometers in Petserimaa and on the east bank of the Narva, which currently belong to the Russian Federation.

According to Udaltsov, Russia's position would remain unchanged. The diplomat said that there is a proper negotiating point now—the border which already exists.

Latvia

Ulmanis Leaves for PRC; Stops Off in Almaty

LD1812054494 Moscow ITAR-TASS in English 0537 GMT 18 Dec 94

[FBIS Transcribed Text] Riga 18 Dec (TASS)—President Guntis Ulmanis of Latvia leaves for Beijing early on Sunday [18 December] morning for a five-day visit the purpose of which is to promote the development of business relations with China. On his way to Beijing, Ulmanis is to make a stop-over in Alma Ata [Almaty] for a meeting with President Nursultan Nazarbayev of Kazakhstan.

The Latvian President will be accompanied by a large group of businessmen and by railway, aviation and seaport specialists—China is interested, in particular, in the use of Latvian ports for the transit of its commodities.

A Latvian business exhibition is to open and a seminar on the problems of the Latvian national economy is to be held in Beijing.

The programme for the visit envisages the signing of an economic and trade cooperation agreement which provides for the most-favoured-nation treatment. The presidents of Latvia and China are expected to issue a joint political statement. On Monday Ulmanis is to meet with the Chinese president, the prime minister and the minister of foreign affairs.

Cooperation Agreement Signed

LD1912195694 Riga Radio Riga Network in Latvian 1800 GMT 19 Dec 94

[FBIS Translated Text] Latvian President Guntis Ulmanis met Chinese President Zemin Jiang today. During the talks, the Chinese leader proposed to render Latvia economic assistance worth 3 million [currency not specified] and give credits to the amount of 30 million yuan.

Zemin Jiang said that China paid great attention to shaping friendly relations with Latvia, and China's policy in relation to the Baltic states was currently directed toward respecting nations' right of choice and equality of all countries, irrespective of different ideological systems.

Guntis Ulmanis, for his part, pointed out that different historical cultures and religious traditions were not an obstacle to the development of normal relations between the countries.

A joint statement by the Republic of Latvia and the People's Republic of China was signed after the talks between the Latvian and Chinese presidents. The wish by the two sides to widen mutual understanding, develop mutually beneficial cooperation, and strengthen peace and security cooperating on the basis of equality and justice is declared in the statement.

Ministers of foreign affairs of the two countries, for their part, signed an agreement on trade and economic cooperation. Latvian Foreign Minister Valdis Birkavs, after the signing of the agreement, said that it could be considered now that relations between Latvia and the People's Republic of China were completely normalized.

China's Reforms Highly Valued

LD1912151294 Riga Radio Riga Network in Latvian 1400 GMT 19 Dec 94

[FBIS Translated Text] In connection with our state president's visit to the People's Republic of China, the presidential office has circulated a statement which says that the Latvian Government and businessmen highly value China's achievements in the sphere of economic reform and are interested in developing further cooperation of benefit to both sides. Particular attention will be paid to these issues at the Latvian president's talks with Li Peng, premier of China's State Council, and with representatives of business circles.

Latvian Days of Business began in Beijing today. More than 30 Latvian companies are taking part.

Chechnya Appeal To Help Stop 'Genocide'

LD1912144694 Riga Radio Riga Network in Latvian 1400 GMT 19 Dec 94

[FBIS Translated Text] The Ministry of Foreign Affairs of Chechnya has asked the Latvian Saeima and Ministry of Foreign Affairs to use their influence on the Russian president and Government so that it stops the genocide against the Chechen people and withdraws its armed forces from Chechnya.

Today Gennadiy (Atuyev), Chechen plenipotentiary representative in Latvia, met Maris Grinblats, a deputy and member of the Latvian parliament support group for Chechnya, to report about the situation in Chechnya and to hand over this message.

Atuyev told reporters that according to the latest information from the Chechen parliament, the Russian Armed Forces are carrying out systematic shelling of Chechen populated areas and exterminating the civilian population. One hundred and seven civilians have now been killed. Operations by the Russian Army cannot be considered as the elimination of military facilities and disarming of

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population, as Russia states. Atuyev said that four servicemen who refused to shoot at the civilian population have been shot in the Russian Army.

The Latvian Saeima on 15 December passed a resolution condemning the Russian military aggression in Chechnya.

Lithuania

Foreign Minister Praises Links With United States

LD1912182594 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 19 Dec 94

[FBIS Translated Text] According to a report by the Ministry of Foreign Affairs News and Information Department, Foreign Affairs Minister Povilas Gylys sent a letter to Warren Christopher, U.S. secretary of state, in which he expresses his satisfaction with the widening links between Lithuania and the United States and expresses his gratitude for U.S. support for Lithuania in her integration into the Western political, economic, and security structures.

The letter says that Lithuania is closely following the exchange of opinions concerning the future of NATO and welcomes the decision of the North Atlantic Council to start debates inside NATO on how this organization should expand.

Minister Povilas Gylys confirmed Lithuania's aspiration to become a full member of NATO and expressed his understanding that this depends on many factors. At the same time, he supports the idea that the issue of admission of new members to NATO would be discussed with each country individually.

The letter maintains that since the declaration of independence, much has been achieved in Lithuania in the sphere of democracy, market economy, protection of human rights, and rights of ethnic minorities. All this, together with the stability inside the country, peaceful relations with the neighboring states, and Lithuania's active participation in the Partnership for Peace program creates a firm basis to regard Lithuania as a serious candidate to be (?part of the expanded NATO), the letter to Warren Christopher by Povilas Gylys reads.

U.S. Entry Visas for Lithuanians Extended

LD1612135894 Vilnius Radio Vilnius Network in Russian 1300 GMT 16 Dec 94

[FBIS Translat ed Excerpt] From 19 December, U.S. entry visas will be issued to Lithuanian citizens for a duration of up to 10 years. Such a decision has been adopted in response to a decision by the Lithuanian Government to abolish the visa regime for U.S. citizens visiting Lithuania for not more than 90 days. [passage omitted]

Borders, Privatization Discussed With Deputies

LD2012115094 Vilnius Radio Vilnius in English 2230 GMT 19 Dec 94

[FBIS Transcribed Text] At the request of parliamentary members, Prime Minister Adolfas Slezevicius met with conservative opposition parliamentary members this evening. The meeting lasted over an hour. The discussion could only touch on a few points, the major ones being the determination of Lithuania's borders with Latvia, Belarus, Russia, and Poland, and the present privatization problems in Lithuania.

The prime minister pointed out to the opposition that many achievements and advances have been made in these spheres. He further underlined that the government and its negotiating delegations are persistent in their defense of Lithuania's interests in each separate territory.

Speaking about privatization, Mr. Slezevicius pointed out that the basic government policy is to create an atmosphere where all citizens will be able to use their privatization vouchers [word indistinct]. He further pointed out that many of the statutes that were enacted were done so by the Supreme Council, which at that time was under the control of the present opposition.

The government press representative said that the talks with the conservative opposition (?went smoothly). He further stated that parliamentary members, who until recently were the ruling party, want the prime minister to be the (?accused), and not a partner in (?seeking a common decision).

Influence on Kaliningrad Region Said Weakening

WS1612132694 Tallinn BNS in English 0923 GMT 16 Dec 94

[FBIS Transcribed Text] Vilnius, Dec 16, BNS—Lithuania's influence on the Kaliningrad region is gradually getting weaker, says Antanas Sigitas Sileris, the Lithuanian consul in the region.

Lithuanian businessmen are not interested in the Russian exclave, while an increasing number of investments is attracted from Germany and Poland, Sileris told a news conference in the Lithuanian town of Panevezys.

On Wednesday [14 December], Sileris and a group of businessmen from Kaliningrad attended a meeting of the Panevezys regional chamber of industry and commerce, the newspaper LIETUVOS RYTAS reported.

The consul indicated that the share of Lithuanian goods imported to the region is only 5 percent, as compared to Germany's 19 percent and Poland's 25 percent.

Polish influence is also very strong in the field of culture, Sileris said. In his opinion, Lithuania has only "done quite well" in creating joint construction companies.

The diplomat said Lithuania must allow Russian transit through its territory to Kaliningrad, adding that he makes no distinction between military and non-military transit.

Sileris said Poland's statements that it will not seek to redirect Russian military transit through its own territory should be regarded as "diplomatic games." In his words, Poland wants military transit because it is economically beneficial. The diplomat said he already saw maps showing how Russian transit would be conducted through Poland.

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